



**Habitat for Humanity New York City and
Westchester County, Inc. and Affiliates**

**Consolidated Financial Statements
and Supplementary Information
(Together with Independent Auditors' Report)**

Year Ended June 30, 2024

**HABITAT FOR HUMANITY NEW YORK CITY AND
WESTCHESTER COUNTY, INC. AND AFFILIATES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)**

YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
Habitat for Humanity New York City and Westchester County, Inc. and Affiliates
New York, NY

Opinion

We have audited the consolidated financial statements of Habitat for Humanity New York City and Westchester County, Inc. and Affiliates (collectively "Habitat NYC and Westchester"), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Habitat NYC and Westchester as of June 30, 2024, and the changes in its 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Habitat NYC and Westchester 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Habitat NYC and Westchester's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 NYC and Westchester'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Habitat NYC and Westchester'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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplementary information (shown on pages 19-20) as of and for the year ended June 30, 2024, is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and the change in net assets (deficit) of the individual organizations and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Correction of an Error

As described in Note 20, due to a government grant incorrectly being recognized in the prior year, an adjustment was made to recognize government grants on the accrual basis. Our opinion is not modified with respect to this matter.

CBIZ CPAs P.C.

New York, NY
February 25, 2025

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2024

ASSETS

Current Assets

Cash and cash equivalents (Notes 2E and 19)	\$ 3,613,823
Restricted cash (Note 2F)	905,304
Accounts receivable (Note 2G)	748,448
Contributions and grants receivable (Notes 2G, 2J and 5)	658,000
ReStore inventory (Note 2M)	69,849
Mortgages receivable, net (Notes 2N and 4)	107,379
CDFI loans receivable, net (Notes 2H and 6)	593,011
Projects under development (Notes 2O and 8)	949,295
Prepaid expenses and other current assets	<u>253,995</u>
Total current assets	<u>7,899,104</u>

Noncurrent Assets

Homeowners' escrow and reserve funds	85,847
Contributions and grants receivable (Notes 2G, 2J and 5)	200,000
Mortgages receivable, net (Notes 2N and 4)	1,811,476
CDFI loans receivable, net (Notes 2H and 6)	1,822,755
Projects under development (Notes 2O and 8)	14,368,407
Property and equipment, net (Notes 2K and 7)	1,078,523
Security deposit	65,667
Right-of-use operating lease (Notes 2L and 9)	<u>2,023,583</u>
Total noncurrent assets	<u>21,456,258</u>

TOTAL ASSETS \$ 29,355,362

LIABILITIES

Current Liabilities

Accounts payable and accrued expenses	\$ 2,358,986
Loans payable-project related (Note 10)	8,643,945
Deferred revenue (Note 13)	2,303,038
Operating lease liabilities (Notes 2L and 9)	446,028
Lines of credit (Note 12)	<u>2,670,000</u>
Total current liabilities	<u>16,421,997</u>

Noncurrent Liabilities

Loans payable-project related (Note 10)	3,288,589
Loans payable-other (Note 11)	650,000
Operating lease liabilities (Notes 2L and 9)	<u>1,601,838</u>
Total noncurrent liabilities	<u>5,540,427</u>

TOTAL LIABILITIES 21,962,424

COMMITMENTS AND CONTINGENCIES (Note 15)

NET ASSETS (Note 2C)

Without donor restrictions:	
Board-designated (Note 16)	200,000
Undesignated	6,039,912
Non-controlling interest (Notes 2D and 18)	<u>102,402</u>
Total net assets without donor restrictions	6,342,314
With donor restrictions (Note 17)	<u>1,050,624</u>

TOTAL NET ASSETS 7,392,938

TOTAL LIABILITIES AND NET ASSETS \$ 29,355,362

The accompanying notes are an integral part of these consolidated financial statements.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Contributions (Note 2J)	\$ 3,449,529	\$ 675,000	\$ 4,124,529
In-kind contributions (Notes 2M and 2P)	1,159,533	69,727	1,229,260
Government support (Note 2I)	500,000	50,000	550,000
Special events, net	648,097	-	648,097
Proceeds from sales (Note 2O)	1,244,088	-	1,244,088
Government subsidies (Note 2I)	1,271,930	-	1,271,930
ReStore sales (Note 2M)	826,686	-	826,686
Investment return and interest income	135,425	-	135,425
Mortgage discount amortization (Notes 2N and 4)	190,102	-	190,102
Other income	1,662,133	-	1,662,133
Net assets released from restrictions (Note 17)	<u>360,432</u>	<u>(360,432)</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	<u>11,447,955</u>	<u>434,295</u>	<u>11,882,250</u>
EXPENSES (Note 2Q):			
Program Services:			
Cost of housing units sold	2,542,684	-	2,542,684
Other program services	<u>5,937,158</u>	<u>-</u>	<u>5,937,158</u>
Total Program Services	<u>8,479,842</u>	<u>-</u>	<u>8,479,842</u>
Supporting Services:			
Management and general	2,218,618	-	2,218,618
Fundraising	<u>1,950,423</u>	<u>-</u>	<u>1,950,423</u>
Total Supporting Services	<u>4,169,041</u>	<u>-</u>	<u>4,169,041</u>
TOTAL EXPENSES	<u>12,648,883</u>	<u>-</u>	<u>12,648,883</u>
CHANGE IN NET ASSETS (DEFICIT)	(1,200,928)	434,295	(766,633)
Net assets - beginning of year - as previously reported	8,043,242	616,329	8,659,571
Prior period adjustment (Note 20)	<u>(500,000)</u>	<u>-</u>	<u>(500,000)</u>
Net assets - beginning of year - as restated	<u>7,543,242</u>	<u>616,329</u>	<u>8,159,571</u>
TOTAL NET ASSETS - END OF YEAR	<u>\$ 6,342,314</u>	<u>\$ 1,050,624</u>	<u>\$ 7,392,938</u>

The accompanying notes are an integral part of these consolidated financial statements.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

		<u>Supporting Services</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	<u>Total</u>
Cost of housing units sold					
Projects under development	\$ 2,542,684	\$ -	\$ -	\$ -	\$ 2,542,684
Salaries and wages	2,052,307	1,009,335	737,782	1,747,117	3,799,424
Payroll taxes and benefits (Note 14)	<u>619,008</u>	<u>275,633</u>	<u>197,766</u>	<u>473,399</u>	<u>1,092,407</u>
Total Personnel Costs	2,671,315	1,284,968	935,548	2,220,516	4,891,831
Professional fees (Note 2P)	686,582	270,111	6,438	276,549	963,131
Occupancy costs (Note 9)	537,817	19,190	18,023	37,213	575,030
Insurance	183,290	79,598	13,607	93,205	276,495
Office expenses	81,782	8,005	25,676	33,681	115,463
Computer maintenance and software	112,268	44,434	59,916	104,350	216,618
Advertising	28,515	3,156	-	3,156	31,671
Staff training and education	18,783	7,255	10,595	17,850	36,633
Postage	1,983	719	872	1,591	3,574
Common charges	58,157	5,029	-	5,029	63,186
Printing and duplicating	14,138	17,167	2,758	19,925	34,063
Fundraising and other events	545	42,549	473,259	515,808	516,353
Repairs and maintenance	464,509	-	-	-	464,509
Telephone	11,181	3,424	1,327	4,751	15,932
Travel and meetings	18,572	5,149	6,007	11,156	29,728
Direct mail and newsletters - printing, supplies, postage and delivery	-	-	423,911	423,911	423,911
Tithe	25,257	-	-	-	25,257
Depreciation and amortization (Note 7)	114,488	13,088	-	13,088	127,576
HFHI fees	-	25,000	-	25,000	25,000
ReStore cost of sales	830,589	-	-	-	830,589
Interest expense and financing fees (Note 11A)	-	350,904	-	350,904	350,904
Bad debt	-	38,610	-	38,610	38,610
Warranty reserve	54,279	-	-	-	54,279
Donation and credit card processing fees	19,159	262	181,020	181,282	200,441
Request for proposal expenses	<u>3,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,949</u>
	8,479,842	2,218,618	2,158,957	4,377,575	12,857,417
Less: cost of direct benefits to donors	<u>-</u>	<u>-</u>	<u>(208,534)</u>	<u>(208,534)</u>	<u>(208,534)</u>
TOTAL EXPENSES	<u>\$ 8,479,842</u>	<u>\$ 2,218,618</u>	<u>\$ 1,950,423</u>	<u>\$ 4,169,041</u>	<u>\$ 12,648,883</u>

The accompanying notes are an integral part of these consolidated financial statements.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (766,633)
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Adjustments to reconcile change in net assets to net cash used in operating activities:

Depreciation and amortization	127,576
Mortgage discount amortization	(190,102)
Donation of property and equipment	(205,500)
Bad debt expense	38,610
Warranty reserve	<u>54,279</u>

Subtotal	(941,770)
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Changes in operating assets and liabilities:

(Increase) decrease in:

Accounts receivable	587,121
Contributions and grants receivable	(183,000)
ReStore inventory	11,703
Prepaid expenses and other current assets	61,675
Homeowners' escrow and reserve funds	37,107
Projects under development	(2,654,306)
Right-of use assets	(1,709,753)

Increase (decrease) in:

Accounts payable and accrued expenses	(318,600)
Deferred revenue	518,245
Operating lease liabilities	<u>1,723,258</u>

Net Cash Used in Operating Activities	<u>(2,868,320)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES:

Collections on mortgages receivable	432,750
Collections on CDFI loans	196,130
CDFI loans issued	<u>(915,056)</u>

Net Cash Used in Investing Activities	<u>(286,176)</u>
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CASH FLOWS FROM FINANCING ACTIVITIES:

Borrowings under line of credit	670,000
Net borrowings under construction loans	3,796,741
Net repayments under other loans	<u>(429,567)</u>

Net Cash Provided by Financing Activities	<u>4,037,174</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	882,678
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Cash and cash equivalents and restricted cash- beginning of year	<u>3,636,449</u>
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CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	<u><u>\$ 4,519,127</u></u>
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Supplemental Disclosures of Cash Flow Information:

Interest charged to projects under development	<u>\$ 147,704</u>
Interest charged on other debt	<u>\$ 350,904</u>

Consolidated Statements of Financial Position Reconciliation:

Cash and cash equivalents	\$ 3,613,823
Restricted cash	<u>905,304</u>

Cash and cash equivalents and restricted cash - end of year	<u><u>\$ 4,519,127</u></u>
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The accompanying notes are an integral part of these consolidated financial statements.

**HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER
COUNTY, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Habitat for Humanity New York City and Westchester County, Inc. (“Habitat NYC and Westchester”) transforms lives and communities by building quality homes for families in need and uniting all New Yorkers around the cause of affordable housing. Habitat NYC and Westchester’s work includes the new construction of multi-family homes, rehabilitation of single and multi-family homes and community improvement projects, including painting and rehabilitating community and senior centers. Habitat NYC and Westchester also advocates for housing policies that benefit low-income people. Generally, each housing project is undertaken under a separate entity organized under the New York State Private Housing Finance Law and New York State Not-for-Profit Corporation Law, with Habitat NYC and Westchester being the sole member. Habitat NYC and Westchester’s housing projects are undertaken by the following entities (“Affiliates”):

Habitat for Humanity Housing Development Fund Company (“Habitat HDFC”)
Hart Lafayette Housing Development Fund Corporation (“Hart-Lafayette”)
Habitat for Humanity St. John’s Housing Development Fund Corporation (“St. John’s”)
Habitat for Humanity Bed-Stuy Homes HDFC (“Bed-Stuy I”)
Habitat for Humanity Bed-Stuy Homes II HDFC (“Bed-Stuy II”)
Habitat for Humanity Bed-Stuy Homes III HDFC (“Bed-Stuy III”)
Habitat for Humanity Bed-Stuy Homes IV HDFC (“Bed-Stuy IV”)
Habitat for Humanity Bed-Stuy Homes V HDFC (“Bed-Stuy V”)
Habitat for Humanity Bed-Stuy Homes VI HDFC (“Bed-Stuy VI”)
Habitat for Humanity Dean Street Housing Development Fund Corporation (“Dean Street”)
Habitat for Humanity Latent Thomas Boyland Street Housing Development Fund Corporation (“Latent”)
Habitat for Humanity Almat Tilden Street Housing Development Fund Corporation (“Almat Tilden HDFC”)
Habitat for Humanity Queens Phase II Housing Development Fund Corporation (“Queens Phase II”)
Ralph Avenue I Housing Development Fund Corporation (“Ralph Avenue I”)
HFH NYC GC LLC
Habitat for Humanity Compliance LLC
Habitat Latent LLC (“Latent LLC”)
Habitat Tilden Street LLC (“Tilden Street LLC”)
Habitat for Humanity NYC Fund Inc. (the “Fund”)
839 Tilden Street Housing Development Fund Corporation (“839 Tilden Street”)
Habitat Net Zero LLC (“Net Zero LLC”)
Habitat Net Zero Housing Development Fund Corporation (“Net Zero HDFC”)
Habitat Passive Housing Development Fund Corporation
Stevenson Homeownership Housing Development Fund Corporation
Stevenson NYC Habitat LLC
Habitat Mosaic Brooklyn LLC
New York City Habitat for Humanity, Inc. (“New York City Habitat”)
Westchester County Habitat for Humanity, Inc. (“Westchester County Habitat”)
Habitat Mosaic Housing Development Fund Corporation
NYC Habitat Morningside LLC
1703 Vyse LLC

Habitat NYC and Westchester, New York City Habitat, Westchester County Habitat, Habitat HDFC and the Fund are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and have been classified as publicly supported organizations as described in Code Sections 509(a)(1) and 170(b)(a)(vi). Further, Hart-Lafayette, Bed Stuy I, Bed Stuy II, Bed Stuy III, Bed Stuy IV, Bed Stuy V, Bed Stuy VI, St. John’s, Queens Phase II, Latent, Almat Tilden HDFC, Ralph Avenue I, 839 Tilden Street and Dean Street are exempt from federal income taxes under Section 501(c)(4) of the Code.

HFH NYC GC LLC is a domestic single-member limited liability company set up in the state of New York to act as a general contractor on some Habitat NYC and Westchester construction projects. HFH NYC GC LLC is filed as part of Habitat NYC and Westchester’s tax returns as a disregarded entity. Latent LLC and Tilden Street LLC are for-profit entities set up to sell units from the SEED and Sydney project, respectively. Tilden Street LLC and Latent LLC are pass-through entities and Habitat NYC and Westchester is not expected to pay taxes from sales proceeds

**HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER
COUNTY, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

On January 19, 2016, Habitat NYC and Westchester formed Tilden Street LLC for the purpose of constructing and selling 57 affordable housing units for the Sydney House project. On May 11, 2016, Habitat NYC and Westchester and Almat Group LLC executed an Operating Agreement for Tilden Street LLC, which provides Habitat NYC and Westchester with a 51% ownership interest and Almat Group LLC with a 49% ownership interest. On May 12, 2016, Almat Tilden HDFC acquired title for the land and improvements for the Sydney House project and executed a Nominee Agreement with Tilden Street LLC that provides Tilden Street LLC with the authority to make decisions on behalf of Almat Tilden HDFC.

On April 1, 2015, Habitat NYC and Westchester and Latent Productions LLC executed a Joint Venture Agreement (JVA) for the purposes of constructing and selling 25 units of affordable housing for the SEED project. The JVA provides Habitat NYC and Westchester with a 65% ownership interest and Latent Productions LLC with a 35% ownership interest in a special-purpose entity formed for the project.

On February 9, 2017, Habitat NYC and Westchester formed the Fund for the purpose of promoting community development and homeownership and to expand the availability of affordable housing by providing financing and technical assistance and other educational and development services. The Fund received Community Development Financial Institution ("CDFI") designation from the U.S. Department of the Treasury.

On December 3, 2018, Habitat NYC and Westchester formed Habitat Net Zero LLC for the purpose of constructing and selling 16 affordable single-family homes for the Net Zero project. Habitat NYC and Westchester is the sole member and sponsor of this entity.

On February 7, 2019, Net Zero HDFC was formed to acquire title for the land and improvements for the Net Zero project upon Construction Closing. A Nominee Agreement will be executed between Net Zero LLC and Habitat Net Zero Homes HDFC providing Net Zero LLC authority to make decisions on behalf of Habitat Net Zero Homes HDFC.

On September 19, 2020, Habitat NYC and Westchester was awarded by Habitat for Humanity International the geographic service area of Westchester County. This gives Habitat NYC and Westchester the opportunity to expand its footprint to now include Westchester County as part of Habitat NYC and Westchester.

On September 21, 2020, Habitat NYC and Westchester formed Stevenson Homeownership Housing Development Fund Corporation for the purpose of constructing and selling 58 affordable co-operative units for the Stevenson Commons project. This project is led by Camber Property Group. One of Habitat NYC and Westchester's Board members is a director at Camber Property Group. Habitat NYC and Westchester is the sole member and sponsor of this entity.

On May 19, 2021, Habitat NYC and Westchester formed Habitat Mosaic Brooklyn LLC for the purpose of constructing and selling 42 affordable housing units for the Mosaic project. Habitat NYC and Westchester is the sole member and sponsor of this entity.

On June 25, 2021, New York City Habitat for Humanity, Inc. was formed to work with low-income people, primarily in New York City and surrounding areas, to help them create a better human habitat in which to live and work.

On June 25, 2021, Westchester County Habitat for Humanity, Inc. was formed to work with low-income people, primarily in Westchester County, New York, and surrounding areas, to help them create a better human habitat in which to live and work.

On August 10, 2021, Habitat Mosaic Housing Development Fund Corporation was formed to acquire title for the land and improvements for the Mosaic project upon Construction Closing.

On October 4, 2022, NYC Habitat Morningside LLC was formed as a single-purpose entity to enter into a joint venture as a 40% common membership interest of the sponsor entity related to the construction of Genesis ANCP Morningside LLC, a non-related entity. New York City Habitat is the sole member of NYC Habitat Morningside LLC.

**HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER
COUNTY, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

On March 17, 2023, 1703 Vyse LLC was formed to acquire, finance, own, rehabilitate, construct, maintain, improve, operate, develop, manage and sell the premises located at 1703 Vyse Avenue in the Bronx. New York City Habitat is the sole member of 1703 Vyse LLC.

On November 28, 2023, Stevenson NYC Habitat LLC was formed as a single-purpose entity to enter into a joint venture as a 10 percent common membership interest of the sponsor entity related to the construction of the Stevenson Commons project. New York City Habitat is the sole member of Stevenson NYC Habitat LLC.

On May 22, 2024, the Boards of Habitat for Humanity New York City and Westchester County, Inc., New York City Habitat for Humanity, Inc. and Westchester County Habitat for Humanity, Inc. have approved resolutions to merge all operations with Habitat NYC and Westchester subject to approval by the New York State Attorney General's office and other conditions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Accounting* – The consolidated financial statements consist of the operations of Habitat for Humanity New York City and Westchester County, Inc. and Affiliates (collectively, "Habitat NYC and Westchester"), and have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All intercompany account balances and transactions have been eliminated.

B. *Use of Estimates* – The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

C. *Basis of Presentation* – Habitat NYC and Westchester's net assets have been presented and classified based on the existence or absence of donor-imposed restrictions. Habitat NYC and Westchester does not have endowment net assets.

Without donor restrictions – resources that are not subject to donor restrictions. These amounts may be designated by the Board of Directors (the "Board"), or management at the Board's direction, to cover any purposes determined by Habitat NYC and Westchester.

With donor restrictions – resources that are subject to donor-imposed stipulations such as a restriction for a specific purpose or the passage of time. Habitat NYC and Westchester records contributions as net assets with donor restrictions if they are received with donor stipulations that limit their use. When donor restrictions expire (i.e., when a time or purpose restriction is fulfilled), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities as net assets released from restrictions.

D. *Non-controlling Interest* – The equity in Latent LLC and Tilden Street LLC not attributable directly or indirectly, to Habitat NYC and Westchester, is reported on the accompanying consolidated financial statements as a non-controlling interest. Habitat NYC and Westchester controls both Latent LLC and Tilden Street LLC and so has consolidated the partnerships into the accompanying consolidated financial statements. The non-controlling interest portion of net assets represents the amount attributable to other partners not controlled by Habitat NYC and Westchester.

E. *Cash and Cash Equivalents* – Cash and cash equivalents consist of highly liquid investments with maturities of three months or less on the date of acquisition.

F. *Restricted Cash* – Restricted cash primarily consists of funds that are required to be set aside by Habitat NYC and Westchester for projects under development and deposits required under the terms of various project funding arrangements.

**HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER
COUNTY, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Allowance for Uncollectible Receivables – Habitat NYC and Westchester evaluates the collectability of accounts receivable and contributions receivable and provides an allowance for any losses based on factors determined by management. Write-offs are charged against the allowance. There was no allowance for uncollectible accounts on accounts and contributions receivable as of June 30, 2024, as all accounts and contributions receivable were determined to be fully collectible.

H. Loans and Allowance for Credit Losses – Habitat NYC and Westchester reports loans receivable at their outstanding unpaid principal balances, reduced by an allowance for credit losses. Management of Habitat NYC and Westchester regularly reviews each loan in Habitat NYC and Westchester's portfolio. It reviews its loan loss provisions for each loan based upon the status of the loan. Further, Habitat NYC and Westchester performs ongoing credit evaluations of its borrowers and an evaluation for potential credit losses. Habitat NYC and Westchester writes off loans receivable against the allowance when a balance is determined to be uncollectible. Habitat NYC and Westchester's allowance for credit losses amounted to \$141,891 as of June 30, 2024.

The loan receivable balances at the beginning and ending of the year presented were as follows:

	<u>6/30/2024</u>	<u>7/1/2023</u>
CDFI loans receivable, net	<u>\$ 2,415,766</u>	<u>\$ 1,735,450</u>

I. Government Subsidies – Certain housing projects of Habitat NYC and Westchester receive government subsidies and capital project funds awarded by the State of New York and City of New York or for the sale of property received from the State and the City at substantially below fair value. Agencies of the State include the New York State Affordable Housing Corporation. Agencies of the City include the New York City Department of Housing Preservation and Development. Generally, the ability to utilize these subsidies is subject to the requirement that housing units are sold only to qualified purchasers, primarily families that do not exceed household income levels prescribed under the terms of the government subsidies.

J. Contributions – Contributions are accounted for under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08. All unconditional contributions are recorded at fair value as revenue when received. The fair value of long-term contributions receivable is measured based on the present value of future cash flows, with consideration given to the expected possible variations in the amount and/or timing of the cash flows and other specific factors that would be considered by market participants. Fair value measurements also consider donors' credit risk. All contributions are considered available for general use unless restricted specifically by the donor.

K. Property and Equipment – Property and equipment are carried at cost or, if donated, at fair value at the time of receipt. Property and equipment other than leasehold improvements are depreciated on the straight-line basis over the respective estimated useful lives of the assets, which range from three to five years. Leasehold improvements are amortized over the term of the related lease or the estimated useful life of the improvements, whichever is shorter.

L. Leases – Habitat NYC and Westchester determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use ("ROU") assets and lease liabilities in the accompanying consolidated statement of financial position. Lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. Habitat NYC and Westchester does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

M. ReStore Inventory – The ReStore is set up to receive donated construction materials, home furnishings, tools and similar items. Habitat NYC and Westchester stores and sells these goods to the public at discount prices, which generates income for its programs and makes discounted material available for the public. These contributions amounted to \$1,060,483 for the year ended June 30, 2024, and are recorded upon receipt at their estimated realizable value as in-kind contributions in the accompanying consolidated statement of activities.

**HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER
COUNTY, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- N. *Mortgages Receivable*** – Mortgages receivable do not bear interest and are reported at present value, using a discount rate of 8%. Management considers a loan to be delinquent or past due if a borrower fails to make a contractually scheduled principal payment that is over 120 days past due. Habitat NYC and Westchester's management periodically reviews mortgage balances to determine whether an allowance for bad debt should be established for any amounts determined to be unrecoverable. Factors considered by management include principal collections experience, collateral value, borrowers' financial conditions and other factors. Habitat NYC and Westchester considers a loan to be impaired when it is probable that repayment obligations due according to the contractual terms will not be met. In this instance, the mortgage carrying value is written down by management, if deemed necessary, based on their review of the collateral and other considerations. The receivables are collateralized by mortgage liens on the underlying housing units.
- O. *Projects Under Development*** – Projects under development are recorded at the lower of cost or net realizable value. Project costs include expenditures to acquire properties or, if purchased at below fair value, the fair value at the time of receipt, environmental reviews and other activities to prepare the properties for construction, project construction costs, and interest and fees incurred to finance the projects. The total cost of development is funded by proceeds from the sale of the housing units, government subsidies for the housing project and project-restricted private contributions.
- P. *Contributed Services*** – All of Habitat NYC and Westchester's Board members have volunteered their time to serve on the Board. There are partner families (prospective qualified purchasers) and other volunteers who have donated significant time to Habitat NYC and Westchester in project construction and its related programs. Contributed services are recognized in the consolidated financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Habitat NYC and Westchester contributed services at their fair value on the date received. For the year ended June 30, 2024, contributed services consisted of the following:

<u>Service</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Pro-bono legal services	\$ <u>168,777</u>	Administrative expenses	No associated donor restriction	Based on fair value provided by donor

- Q. *Functional Expenses*** – The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated financial statements. Costs that are specifically identifiable to programs and supporting services (to fundraising or to management and general) are charged directly to such functions. Costs incurred for both programs and supporting services are allocated based on certain factors deemed reasonable by management. The expenses that are allocated based on departmental headcounts include occupancy, depreciation and amortization, professional services, office expenses, computer maintenance and software and insurance. Salaries and wages, payroll taxes and benefits are based upon both time and effort. All other expenses are directly charged to its proper function based upon the nature and classification of the expense.
- R. *Recently Adopted Accounting Standards*** – FASB ASU No. 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* was adopted for the year ended June 30, 2024. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions and reasonable and supportable forecasts. Financial assets held by the Fund that are subject to the guidance in ASU 2016-03 include accounts receivable, mortgages receivable and CDFI loans receivable. The adoption of this ASU was not considered material to the consolidated financial statements.

**HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 – LIQUIDITY AND AVAILABILITY

Habitat NYC and Westchester receives contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. Habitat NYC and Westchester manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. Habitat NYC and Westchester targets a year-end balance of reserves of undesignated net assets without donor restrictions to meet 15 to 30 days of expected expenditures. To achieve these targets, Habitat NYC and Westchester forecasts future cash flows and monitors its liquidity quarterly, and its reserves annually.

Habitat NYC and Westchester's financial assets available to meet general expenditures over the next year are as follows as of June 30, 2024:

Cash and cash equivalents	\$ 3,613,823
Accounts receivable	748,448
Contributions and grants receivable, net	658,000
ReStore inventory	69,849
Current maturities of mortgages receivable	107,379
Current maturities of loans receivable	593,011
Less: board-designated assets	<u>(200,000)</u>
	<u>\$ 5,590,510</u>

NOTE 4 – MORTGAGES RECEIVABLE, NET

Prior to 2008, Habitat NYC and Westchester originated interest-free mortgages to finance the sale of housing units to qualified purchasers. The portfolio of remaining mortgages consist of 74 mortgages. Discounted at an annual rate of 8%, mortgage receivables at June 30, 2024 consisted of the following:

Gross mortgages receivable	\$ 2,743,483
Discount to present value at 8%	<u>(824,628)</u>
	<u>\$ 1,918,855</u>

Commencing in 2008, Habitat NYC and Westchester discontinued financing sales as its primary method of providing homeowners' financing and partnered with the State of New York Mortgage Agency ("SONYMA") such that banks originate mortgage loans to qualified purchasers. The mortgages were then purchased by SONYMA. However, on a limited basis, Habitat NYC and Westchester has provided financing sales for homes when SONYMA mortgages were not feasible.

The housing units were sold to family partners at below-market values and therefore, the estimated realizable value of the housing units that secure delinquent mortgages generally exceed the delinquent mortgages receivable. The value of the mortgages receivable with amounts over 120 days past due totaled approximately \$49,899 as of June 30, 2024. There is no interest accrued on overdue amounts as these mortgages are non-interest bearing.

**HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER
COUNTY, INC. AND AFFILIATES
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JUNE 30, 2024**

NOTE 5 – CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable consisted of the following as of June 30, 2024:

Dues in less than one year	\$ 658,000
Due in one to five years	<u>200,000</u>
	<u>\$ 858,000</u>

Contributions receivable due more than one year after inception are recorded at fair value using present value techniques if such discount is material. As of June 30, 2024, discounting contributions and grants receivable was not considered material to the consolidated financial statements.

NOTE 6 – CDFI LOANS RECEIVABLE

As of June 30, 2024, the Fund's loans receivable consisted of 16 loans, as follows:

CDFI loans receivable, gross, beginning of year	\$ 1,839,947
CDFI loans issued	820,000
Collections of CDFI loans	<u>(102,290)</u>
CDFI loans receivable, gross, end of year	2,557,657
Less: allowance for credit losses	<u>(141,891)</u>
	<u>\$ 2,415,766</u>

NOTE 7 – PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following as of June 30, 2024:

Vehicles and equipment	\$ 146,689
Leasehold improvements	<u>1,326,372</u>
Total cost	1,473,061
Less: accumulated depreciation and amortization	<u>(394,538)</u>
Net book value	<u>\$ 1,078,523</u>

Depreciation and amortization expense for the year ended June 30, 2024 amounted to \$127,576. During the year ended June 30, 2024, Habitat NYC and Westchester wrote off approximately \$34,123 in fully-depreciated property and equipment that was no longer in service.

**HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER
COUNTY, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 – PROJECTS UNDER DEVELOPMENT

The activity in projects under development during the year ended June 30, 2024 consisted of:

<u>Project</u>	<u>Balance at July 1, 2023</u>	<u>Additions</u>	<u>Sales and Adjustments</u>	<u>Balance at June 30, 2024</u>
Constellation	\$ 309,163	\$ -	\$ -	\$ 309,163
Net Zero	6,777,798	3,178,926	-	9,956,724
Mosaic	1,729,014	1,638,027	-	3,367,050
Queens Phase II	1,743,880	51,166	(1,795,046)	-
SEED	2,038,634	127,712	(1,216,754)	949,295
1703 Vyse	-	98,266	-	98,266
Haven Green	545,545	3,961	-	549,506
Claremont House	<u>42,757</u>	<u>44,645</u>	<u>-</u>	<u>87,402</u>
Total	13,186,791	5,142,712	(3,011,800)	15,317,702
Projects under development – Queens Phase II Reserve	<u>(469,116)</u>	<u>-</u>	<u>469,116</u>	<u>-</u>
Net	<u>\$ 12,717,675</u>	<u>\$ 5,142,712</u>	<u>\$ (2,548,936)</u>	<u>\$ 15,317,702</u>

NOTE 9 – LEASES

Habitat NYC and Westchester leases certain facilities at various terms under long-term non-cancelable operating lease agreements that expire at various dates through 2033. The weighted-average discount rate is based on the discount rate implicit in the leases. Habitat NYC and Westchester has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

As of June 30, 2024, the weighted-average discount rate of operating leases is 9.5%. As of June 30, 2024, the weighted-average remaining lease term of operating leases is 8.54.

For the year ended June 30, 2024, total operating lease cost amounted to \$400,779. For the year ended June 30, 2024, operating cash flows from operating leases amounted to \$387,121.

Future minimum payments for non-cancelable leases for the years ending after June 30, 2024 are as follows:

2025	\$ 446,028
2026	309,956
2027	291,789
2028	296,873
2029	305,779
Thereafter	<u>1,404,312</u>
Total lease payments	3,054,737
Less: present value discount	<u>(1,006,871)</u>
Present value of lease liabilities	<u>\$ 2,047,866</u>

**HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER
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NOTE 10 – LOANS PAYABLE - PROJECT RELATED

On February 10, 2017, The Community Preservation Corporation ("CPC") provided a forgivable loan of \$3,222,400 to be drawn down. The loan is secured by fourth mortgages on the property of the SEED project, with no interest or payments due, forgivable and transferrable to the purchaser of each home.	\$ 242,684
On February 23, 2022, Local Initiatives Support Corporation ("LISC") provided a loan of \$6,635,000 to be drawn down. The loan bears interest at 5.62% per annum, due February 23, 2025. The loan is secured by a first priority mortgage on the property of the Habitat Net Zero project.	6,045,354
On February 23, 2022, HPD provided a forgivable loan of \$3,930,000 to be drawn down. The loan is secured by a second mortgage on the Habitat Net Zero project, with no interest or payments due, forgivable and transferrable to the purchaser of each home.	2,355,947
On December 21, 2023, a bank provided a loan to finance the Mosaic project. The loan matures on December 21, 2026 and bears interest at the secured overnight financing rate plus 2.5% with a minimum rate of 5%.	<u>3,288,549</u>
Total	11,932,534
Less: current portion	<u>(8,643,945)</u>
Long-term portion	<u>\$ 3,288,589</u>

As of June 30, 2024, Habitat NYC and Westchester was in compliance with its loan covenants.

The terms and conditions do not require Habitat NYC and Westchester to utilize cash to repay the obligations from HPD, AHC and CPC forgivable loans. Moreover, there are no scheduled maturities of the related debt, since Habitat NYC and Westchester is relieved of an obligation to repay the loan upon transfer of the property to a qualified buyer.

NOTE 11 – LOANS PAYABLE - OTHER

- A. On August 19, 2020, the Fund entered into a five-year loan agreement with a bank for \$500,000. The loan bears interest at 3% and matures on July 19, 2025. The loan balance as of June 30, 2024 amounted to \$500,000. Interest expense for the year ended June 30, 2024 amounted to \$15,000.
- B. On October 30, 2020, Habitat NYC and Westchester entered into a loan agreement with a bank to access up to \$800,000 of its equity invested in Habitat Net Zero Homes HDPC project. This is a three-year loan bearing interest at 5%. The maturity date was extended for 90 days, with an expiration date of January 30, 2024. There was no outstanding balance as of June 30, 2024.
- C. On July 6, 2020, Habitat NYC and Westchester received a \$150,000 loan from the U.S. Small Business Administration under the Economic Injury Disaster Loan Program in accordance with the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). This loan is a 30-year, 2.75% loan, with interest-only payments beginning January 6, 2023. The loan balance as of June 30, 2024 amounted to \$150,000.

NOTE 12 – LINES OF CREDIT

- A. On February 4, 2016, Habitat NYC and Westchester entered into an agreement with a bank, whereby the bank provided Habitat NYC and Westchester with a revolving line of credit in the amount of \$2,000,000. The line of credit increased to \$3,000,000 and extended to February 14, 2025. The line bears interest calculated daily using the Secured Overnight Financing Rate (SOFR) plus 8.755% as of June 30, 2024. The outstanding balance as of June 30, 2024 amounted to \$2,450,000. The outstanding balance as of February 25, 2025 was \$2,000,000.

**HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER
COUNTY, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 12 – LINES OF CREDIT (Continued)

- B. On October 4, 2019, the Fund entered into a loan agreement with a bank for a line of credit of \$2,500,000. The loan bears interest at 3%. The line of credit expired on October 4, 2022 and was renewed for another six months, with an expiration date of April 4, 2023. On April 4, 2023, the Fund renewed the loan agreement for a line of credit of \$2,500,000. The loan bears interest at 4.5% and expires on April 4, 2028. There was no balance as of June 30, 2024. The outstanding balance as of February 25, 2025 was \$0.
- C. On September 29, 2022, the Fund entered into a loan agreement with a bank for a line of credit of \$250,000. The line bears interest at 3%. The line of credit draw period expires on September 29, 2024, with the repayment period expiring on September 29, 2029. The balance as of June 30, 2024 amounted to \$220,000. The outstanding balance as of February 25, 2025 was \$220,000.

NOTE 13 – DEFERRED REVENUE

Deferred revenue represents government grants and subsidies for projects under development, which will be recognized as revenue when the related housing units are sold to qualified purchasers. Deferred revenue at June 30, 2024 consisted of the following:

Habitat House Party Gala	\$ 34,500
SEED deferred developer fee	638,976
Landlord Ambassador Flexible Financing Program	1,024,928
Build days	252,964
CDFI interest reserve account	39,805
AHC Flood Relief	45,659
Stevenson Homeownership LLC developer fee	29,000
Aging In Place	<u>237,206</u>
Total cost	<u>\$ 2,303,038</u>

Certain projects under development receive subsidies from New York City in the form of loan grants, capital project funds or the sale of property at substantially below-market value for the project sites. The subsidies are encumbered by various loan agreements and related security instruments, which require repayment of the subsidies to the City in the event of Habitat NYC and Westchester's default on its construction obligations and sale of the units to the qualified purchasers. Habitat NYC and Westchester's obligations under the agreements are further collateralized by the projects under development.

Government Subsidies – Funding Commitments

- A. Constellation – During fiscal year 2021, Habitat NYC and Westchester received from The Council of The City of New York a funding commitment for an amount not to exceed \$500,000 in capital funding. Habitat NYC and Westchester received from The Council of The City of New York a funding commitment dated February 10, 2017, for an amount not to exceed \$300,000 in capital funding. Habitat NYC and Westchester received from The Federal Community Project Funding a funding commitment dated March 2, 2023, for an amount not to exceed \$3,000,000 in capital funding.
- B. Stevenson Commons – On July 6, 2021, Habitat NYC and Westchester received from the Office of the Bronx Borough President a funding commitment letter for an amount not to exceed \$1,000,000 in capital funding. On September 20, 2022, Habitat NYC and Westchester received from The Council of The City of New York a funding commitment letter for an amount not to exceed \$2,000,000 in capital funding.

**HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER
COUNTY, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 14 – EMPLOYEE BENEFIT PLAN

Habitat NYC and Westchester has a 403(b) defined contribution retirement plan. Employees become eligible to contribute to the plan upon employment. Participating employees may contribute any amount up to the maximum IRS annual contribution limits. Matching contributions by Habitat NYC and Westchester are discretionary. Matching contributions amounted to approximately \$38,400 for the year ended June 30, 2024.

NOTE 15 – CONTINGENCIES

Habitat NYC and Westchester believes it has no uncertain tax positions as of June 30 2024, in accordance with FASB Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 16 – BOARD-DESIGNATED NET ASSETS

The Board of Directors authorized management to establish a Board-designation of net assets in the amount of up to \$1,000,000 to provide a source of funds in times of general economic downturn and meet cash flow requirements as needed. This reserve enables Habitat NYC and Westchester to avoid dramatic year-to-year program changes that might arise due to uncertainties associated with government grants and private funding streams.

Habitat NYC and Westchester has invested its Board-designated fund to provide a predictable stream of funding while preserving the purchasing power of the funds, utilizing a fixed-income strategy to accomplish this objective. As of June 30, 2024, Board-designated net assets amounted to \$200,000.

NOTE 17 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions include those funds received or promised specifically for construction and development, rehabilitation and other purposes, which have not yet been spent in fulfillment of those donor restrictions, as well as time-restricted grants.

The activity in net assets with donor restrictions is as follows:

	Balance at July 1, 2023	Additions	Releases from Restriction	Balance at June 30, 2024
<i>Projects</i>				
Queens Phase II	\$ -	\$ 4,500	\$ 4,500	\$ -
Mosaic	-	3,000	3,000	-
Claremont	-	25,000	25,000	-
Sydney House	-	34,157	34,157	-
Haven Green	-	3,961	3,961	-
Net Zero	-	70,971	70,971	-
<i>Other</i>				
Disaster Response	248,129	-	-	248,129
Advocacy	46,200	-	-	46,200
Preservation	-	50,000	50,000	-
Aging in Place	72,000	-	40,705	31,295
AHC Flood Relief	-	3,138	3,138	-
Time	250,000	600,000	125,000	725,000
Total	\$ 616,329	\$ 794,727	\$ 360,432	\$ 1,050,624

**HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER
COUNTY, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 18 – NON-CONTROLLING INTEREST

The balance of the non-controlling interest attributed to Latent LLC was as follows:

	<u>Controlling Interest</u>	<u>Non-controlling Interest</u>	<u>Total Net Assets Without Donor Restriction</u>
Balance at July 1, 2023	\$ 7,388,555	\$ 154,687	\$ 7,543,242
Change in net assets	<u>(1,148,643)</u>	<u>(52,285)</u>	<u>(1,200,928)</u>
Balance at June 30, 2024	<u>\$ 6,239,912</u>	<u>\$ 102,402</u>	<u>\$ 6,342,314</u>

NOTE 19 – CONCENTRATION

Cash and cash equivalents that potentially subject Habitat NYC and Westchester to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Cash accounts are insured up to \$250,000 per depositor, per insured financial institution. As of June 30, 2024, there was approximately \$3.9 million of cash and cash equivalents that exceeded FDIC limits.

NOTE 20 – PRIOR PERIOD ADJUSTMENT

In the previous year, the Fund recorded revenue for a government grant and subsequent determined that it had not met the conditions for recognizing revenue, including disbursing the funds or incurring expenses for the relevant program. The discovery of this omission required that revenue be recognized during the year ended June 30, 2024, when conditions were satisfied, and a prior period adjustment to reduce net assets as previously reported was recorded.

Net assets without donor restrictions, beginning of year – as previously reported	\$ 8,043,242
Prior period adjustment	<u>(500,000)</u>
Net assets without donor restrictions, beginning of year – as restated	<u>\$ 7,543,242</u>

NOTE 21 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through February 25, 2025, the date the consolidated financial statements were available to be issued.

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF JUNE 30, 2024

	Habitat for Humanity NYC and Westchester, Inc.	Westchester County Habitat for Humanity, Inc.	New York City Habitat for Humanity, Inc.	Habitat for Humanity HDFC	Habitat for Humanity Dean Street HDFC	Habitat for Humanity Queens Phase II HDFC	Habitat Latent LLC	AG Habitat Tilden Street LLC	Habitat for Humanity NYC Fund Inc.	Habitat Net Zero LLC	Habitat Mosaic Brooklyn LLC	Consolidating Eliminations	Consolidated Total
ASSETS													
Current Assets													
Cash and cash equivalents	\$ 696,320	\$ 440,455	\$ 33,975	\$ 150,007	\$ 10,726	\$ 520,752	\$ 582,591	\$ 205,597	\$ 716,307	\$ 205,632	\$ 51,461	\$ -	\$ 3,613,823
Restricted cash	-	-	-	-	-	-	-	-	905,304	-	-	-	905,304
Accounts receivable	515,708	41,773	-	-	-	-	129,166	-	8,836	37,390	15,575	-	748,448
Contributions and grants receivable	658,000	-	-	-	-	-	-	-	-	-	-	-	658,000
Due from affiliates	3,490,581	-	90,575	-	-	132,451	32,303	1	-	-	-	(3,745,911)	-
ReStore inventory	19,606	50,243	-	-	-	-	-	-	-	-	-	-	69,849
Mortgages receivable	-	-	-	54,333	-	-	-	-	53,046	-	-	-	107,379
CDFI loans receivable, net	-	-	-	-	-	-	-	-	593,011	-	-	-	593,011
Projects under development	-	-	-	-	-	-	949,295	-	-	-	-	-	949,295
Prepaid expenses and other current assets	252,785	1,210	-	-	-	-	-	-	-	-	-	-	253,995
Total current assets	5,633,000	533,681	124,550	204,340	10,726	653,203	1,693,355	205,598	2,276,504	243,022	67,036	(3,745,911)	7,899,104
Noncurrent Assets													
Homeowners' escrow and reserve funds	-	-	-	54,171	-	-	-	-	31,676	-	-	-	85,847
Contributions and grants receivable	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000
Mortgages receivable, net	-	-	-	592,142	-	-	-	-	1,219,334	-	-	-	1,811,476
CDFI loans receivable, net	-	-	-	-	-	-	-	-	2,102,915	-	-	(280,160)	1,822,755
Projects under development	1,046,026	-	-	-	-	-	298	-	-	9,983,958	3,367,050	(28,925)	14,368,407
Property and equipment, net	78,230	1,000,293	-	-	-	-	-	-	-	-	-	-	1,078,523
Security deposit	14,655	51,012	-	-	-	-	-	-	-	-	-	-	65,667
Right-of-use operating lease	178,598	1,844,985	-	-	-	-	-	-	-	-	-	-	2,023,583
Total noncurrent assets	1,517,509	2,896,290	-	646,313	-	-	298	-	3,353,925	9,983,958	3,367,050	(309,085)	21,456,258
TOTAL ASSETS	\$ 7,150,509	\$ 3,429,971	\$ 124,550	\$ 850,653	\$ 10,726	\$ 653,203	\$ 1,693,653	\$ 205,598	\$ 5,630,429	\$ 10,226,980	\$ 3,434,086	\$ (4,054,996)	\$ 29,355,362
LIABILITIES													
Current Liabilities													
Accounts payable and accrued expenses	\$ 1,374,196	\$ 35,395	\$ -	\$ -	\$ -	\$ 1,701	\$ 662,646	\$ 31,197	\$ 3,042	\$ 180,728	\$ 70,081	\$ -	\$ 2,358,986
Due to affiliates	400,688	665,483	-	841,853	10,726	-	-	177,401	76,753	1,493,191	79,816	(3,745,911)	-
Loans payable-project related	-	-	-	-	-	-	242,644	-	-	8,401,301	-	-	8,643,945
Loans payable-other	-	-	-	-	-	-	-	-	-	156,160	-	(156,160)	-
Deferred revenue	333,123	237,206	29,000	-	-	-	-	-	1,064,733	-	-	-	2,303,038
Operating lease liabilities	164,145	281,883	-	-	-	-	638,976	-	-	-	-	-	446,028
Lines of credit	2,450,000	-	-	-	-	-	-	-	220,000	-	-	-	2,670,000
Total current liabilities	4,722,152	1,219,967	29,000	841,853	10,726	1,701	1,544,266	208,598	1,364,528	10,231,380	149,897	(3,902,071)	16,421,997
Noncurrent Liabilities													
Loans payable-project related	-	-	-	-	-	-	-	-	-	-	3,288,589	-	3,288,589
Loans payable-other	274,000	-	-	-	-	-	-	-	500,000	-	-	(124,000)	650,000
Operating lease liabilities	19,581	1,582,257	-	-	-	-	-	-	-	-	-	-	1,601,838
Total noncurrent liabilities	293,581	1,582,257	-	-	-	-	-	-	500,000	-	3,288,589	(124,000)	5,540,427
TOTAL LIABILITIES	5,015,733	2,802,224	29,000	841,853	10,726	1,701	1,544,266	208,598	1,864,528	10,231,380	3,438,486	(4,026,071)	21,962,424
COMMITMENTS AND CONTINGENCIES													
NET ASSETS													
Without donor restrictions	-	-	-	-	-	-	-	-	-	-	-	-	200,000
Board-designated	200,000	-	-	-	-	-	-	-	-	-	-	-	6,039,912
Undesignated	915,448	596,451	95,550	8,800	-	651,502	46,985	(3,000)	3,765,901	(4,400)	(4,400)	(28,925)	102,402
Non-controlling interest	-	-	-	-	-	-	102,402	-	-	-	-	-	-
Total net assets without donor restrictions	1,115,448	596,451	95,550	8,800	-	651,502	149,387	(3,000)	3,765,901	(4,400)	(4,400)	(28,925)	6,342,314
With donor restrictions	1,019,329	31,295	-	-	-	-	-	-	-	-	-	-	1,050,624
TOTAL NET ASSETS	2,134,777	627,746	95,550	8,800	-	651,502	149,387	(3,000)	3,765,901	(4,400)	(4,400)	(28,925)	7,392,938
TOTAL LIABILITIES AND NET ASSETS	\$ 7,150,510	\$ 3,429,970	\$ 124,550	\$ 850,653	\$ 10,726	\$ 653,203	\$ 1,693,653	\$ 205,598	\$ 5,630,429	\$ 10,226,980	\$ 3,434,086	\$ (4,054,996)	\$ 29,355,362

HABITAT FOR HUMANITY NEW YORK CITY AND WESTCHESTER COUNTY, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Habitat for Humanity NYC and Westchester, Inc.			Westchester County Habitat for Humanity, Inc.			New York City Habitat for Humanity, Inc.	Habitat for Humanity HDFC	Habitat for Humanity Dean Street HDFC	Habitat for Humanity Queens Phase II HDFC	Habitat Latent LLC	AG Habitat Tilden Street LLC	Habitat for Humanity NYC Fund Inc.	Habitat Net Zero LLC	Habitat Mosaic Brooklyn LLC	Eliminations	Consolidated Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:																			
Contributions	\$ 3,148,114	\$ 675,000	\$ 3,823,114	\$ 104,013	\$ -	\$ 104,013	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,402	\$ -	\$ -	\$ -	\$ 3,449,529	\$ 675,000	\$ 4,124,529
In-kind contributions	584,892	69,727	654,619	530,747	-	530,747	-	-	-	-	-	-	43,894	-	-	-	1,159,533	69,727	1,229,260
Government support	-	50,000	50,000	-	-	-	-	-	-	-	-	-	500,000	-	-	-	500,000	50,000	550,000
Special events, net	643,165	-	643,165	4,932	-	4,932	-	-	-	-	-	-	-	-	-	-	648,097	-	648,097
Proceeds from sales	-	-	-	-	-	-	-	-	-	744,022	500,066	-	-	-	-	-	1,244,088	-	1,244,088
Government subsidies	-	-	-	-	-	-	-	-	-	555,242	716,688	-	-	-	-	-	1,271,930	-	1,271,930
ReStore sales	526,508	-	526,508	300,178	-	300,178	-	-	-	-	-	-	-	-	-	-	826,686	-	826,686
Investment return and interest income	12,257	-	12,257	-	-	-	-	-	-	-	-	-	138,360	-	-	(15,192)	135,425	-	135,425
Mortgage discount amortization	-	-	-	-	-	-	-	44,827	-	-	-	-	145,275	-	-	-	190,102	-	190,102
Other income	1,456,242	-	1,456,242	195,617	-	195,617	-	-	-	-	-	-	10,274	-	-	-	1,662,133	-	1,662,133
Net assets released from restrictions	319,727	(319,727)	-	40,705	(40,705)	-	-	-	-	-	-	-	-	-	-	-	360,432	(360,432)	-
TOTAL REVENUE AND SUPPORT	6,690,905	475,000	7,165,905	1,176,192	(40,705)	1,135,487	100,000	44,827	-	1,299,264	1,216,754	-	935,205	-	-	(15,192)	11,447,955	434,295	11,882,250
EXPENSES:																			
Program Services:																			
Cost of housing units sold	-	-	-	-	-	-	-	-	-	1,325,930	1,216,754	-	-	-	-	-	2,542,684	-	2,542,684
Other program services	4,221,689	-	4,221,689	1,152,695	-	1,152,695	-	40,427	-	-	3,000	3,000	516,347	-	-	-	5,937,158	-	5,937,158
Total Program Services	4,221,689	-	4,221,689	1,152,695	-	1,152,695	-	40,427	-	1,325,930	1,219,754	3,000	516,347	-	-	-	8,479,842	-	8,479,842
Supporting Services:																			
Management and general	2,050,125	-	2,050,125	33,078	-	33,078	-	-	-	-	-	-	135,415	-	-	-	2,218,618	-	2,218,618
Fundraising	1,925,764	-	1,925,764	24,659	-	24,659	-	-	-	-	-	-	-	-	-	-	1,950,423	-	1,950,423
Total Supporting Services	3,975,889	-	3,975,889	57,737	-	57,737	-	-	-	-	-	-	135,415	-	-	-	4,169,041	-	4,169,041
TOTAL EXPENSES	8,197,578	-	8,197,578	1,210,432	-	1,210,432	-	40,427	-	1,325,930	1,219,754	3,000	651,762	-	-	-	12,648,883	-	12,648,883
CHANGE IN NET ASSETS (DEFICIT)	(1,506,673)	475,000	(1,031,673)	(34,240)	(40,705)	(74,945)	100,000	4,400	-	(26,666)	(3,000)	(3,000)	283,443	-	-	(15,192)	(1,200,928)	434,295	(766,633)
Net assets - beginning of year - as previously reported	2,622,121	544,329	3,166,450	630,691	72,000	702,691	(4,450)	4,400	-	678,168	152,387	-	3,982,458	(4,400)	(4,400)	(13,733)	8,043,242	616,329	8,659,571
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	(500,000)	-	-	-	(500,000)	-	(500,000)
Net assets - beginning of year - as restated	2,622,121	544,329	3,166,450	630,691	72,000	702,691	(4,450)	4,400	-	678,168	152,387	-	3,482,458	(4,400)	(4,400)	(13,733)	7,543,242	616,329	8,159,571
TOTAL NET ASSETS - END OF YEAR	\$ 1,115,448	\$ 1,019,329	\$ 2,134,777	\$ 596,451	\$ 31,295	\$ 627,746	\$ 95,550	\$ 8,800	\$ -	\$ 651,502	\$ 149,387	\$ (3,000)	\$ 3,765,901	\$ (4,400)	\$ (4,400)	\$ (28,925)	\$ 6,342,314	\$ 1,050,624	\$ 7,392,938