

Audited Financial Statements  
and Other Financial Information

# Bennington Area Habitat for Humanity

June 30, 2023



*Proven Expertise & Integrity*

BENNINGTON AREA HABITAT FOR HUMANITY

JUNE 30, 2023

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FINANCIAL STATEMENTS

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Bennington Area Habitat for Humanity  
Manchester, Vermont

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Bennington Area Habitat for Humanity, dba Bennington County Habitat for Humanity, which comprise the statements of financial position as of June 30, 2023 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bennington Area Habitat for Humanity as of June 30, 2023 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bennington Area Habitat for Humanity 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 opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

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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 Bennington Area Habitat for Humanity's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditor's Responsibilities for the Audit of 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 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 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 misstatements 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 controls 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 Bennington Area Habitat for Humanity'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 doubt about Bennington Area Habitat for Humanity'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.

*RHR Smith & Company*

Buxton, Maine  
October 11, 2023

BENNINGTON AREA HABITAT FOR HUMANITY

STATEMENTS OF FINANCIAL POSITION  
FOR THE YEARS ENDED JUNE 30,

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 701,105	\$ 1,223,078
Investments	741,106	20,646
Accounts receivable (net of allowance for uncollectibles)	112,574	3,553
Other receivables	1,600	-
Notes receivable, current portion	136,545	115,870
Prepaid items	11,298	8,451
TOTAL CURRENT ASSETS	<u>1,704,228</u>	<u>1,371,598</u>
FIXED ASSETS:		
Land and improvements	274,894	249,794
Construction in progress	591,359	447,676
Buildings and improvements	227,761	217,904
Vehicles and equipment	17,762	17,762
	<u>1,111,776</u>	<u>933,136</u>
Less accumulated depreciation	(86,119)	(74,647)
NET FIXED ASSETS	<u>1,025,657</u>	<u>858,489</u>
OTHER NONCURRENT ASSETS:		
Notes receivable, noncurrent portion	726,269	669,054
TOTAL OTHER NONCURRENT ASSETS	<u>1,751,926</u>	<u>1,527,543</u>
TOTAL ASSETS	<u>\$ 3,456,154</u>	<u>\$ 2,899,141</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 35,532	\$ 33,717
Accrued liabilities	10,254	14,040
Escrow accounts	30,893	29,685
TOTAL CURRENT LIABILITIES	<u>76,679</u>	<u>77,442</u>
TOTAL LIABILITIES	<u>76,679</u>	<u>77,442</u>
NET ASSETS:		
Without external source restrictions:		
Without donor restrictions	<u>3,323,762</u>	<u>2,754,020</u>
Total net assets without external source restrictions	<u>3,323,762</u>	<u>2,754,020</u>
With external source restrictions	<u>55,713</u>	<u>67,679</u>
TOTAL NET ASSETS	<u>3,379,475</u>	<u>2,821,699</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,456,154</u>	<u>\$ 2,899,141</u>

See accompanying independent auditor's report and notes to financial statements.

BENNINGTON AREA HABITAT FOR HUMANITY

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30,

	2023			2022		
	Without External Source Restrictions	With External Source Restrictions	Total	Without External Source Restrictions	With External Source Restrictions	Total
REVENUE, GAINS AND OTHER SUPPORT						
Home and land sales	\$ 192,900	\$ -	192,900	\$ 191,011	\$ -	\$ 191,011
Contributions	229,823	38,994	268,817	156,668	62,530	219,198
Gifts in kind	3,530	-	3,530	1,366	-	1,366
Grants	31,750	-	31,750	19,232	14,423	33,655
Resale store sales and fees	155,565	-	155,565	125,649	-	125,649
Amortization of mortgage discount	89,057	-	89,057	195,619	-	195,619
Investment income	19,945	-	19,945	1,937	-	1,937
Other Income	377,046	-	377,046	3,104	-	3,104
Total Revenue, Gains and Other Support	1,099,616	38,994	1,138,610	694,586	76,953	771,539
NET ASSET RESTRICTION TRANSFERS						
Revenue released from restriction	50,960	(50,960)	-	37,276	(37,276)	-
TOTAL REVENUE	1,150,576	(11,966)	1,138,610	731,862	39,677	771,539
EXPENSES						
Program services	314,923	-	314,923	268,134	-	268,134
Management and general	145,528	-	145,528	106,535	-	106,535
Fundraising	120,383	-	120,383	107,903	-	107,903
TOTAL EXPENSES	580,834	-	580,834	482,572	-	482,572
INCREASE (DECREASE) IN NET ASSETS	569,742	(11,966)	557,776	249,290	39,677	288,967
NET ASSETS - JULY 1	2,754,020	67,679	2,821,699	2,504,730	28,002	2,532,732
NET ASSETS - JUNE 30	\$ 3,323,762	\$ 55,713	\$ 3,379,475	\$ 2,754,020	\$ 67,679	\$ 2,821,699

See accompanying independent auditor's report and notes to financial statements.

BENNINGTON AREA HABITAT FOR HUMANITY

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30,

	2023			
	Supporting Services			Totals
	Program Services	Management and General	Fundraising	
Salaries, benefits and payroll taxes	\$ 83,230	\$ 71,717	\$ 32,452	\$ 187,399
Annual appeal	-	-	1,559	1,559
Community relations	-	11	-	11
Computer hardware and software	588	8,584	3,890	13,062
Contributions to Habitat International	-	-	20,211	20,211
Cost of homes sold (net of grants)	203,773	-	-	203,773
Copier rental	-	40	-	40
Family and property selection	1,518	49	-	1,567
Fundraising event costs	-	-	4,423	4,423
Gifts and gift certificates	75	272	-	347
HOA expenses	780	-	-	780
Home repair projects	4,786	-	-	4,786
Insurance	1,590	6,791	-	8,381
Miscellaneous	1,659	5,289	2,010	8,958
Printing, postage and mailing service	239	4,957	-	5,196
Professional development and travel	1,236	3,349	-	4,585
Professional fees	975	17,892	-	18,867
Real estate taxes	10,675	-	-	10,675
Office rent	-	8,300	-	8,300
Resale store operating costs	-	-	55,838	55,838
Storage facility rental	2,220	-	-	2,220
Supplies	225	3,737	-	3,962
Telephone and utilities	-	3,068	-	3,068
Tools	1,354	-	-	1,354
Total expenses before depreciation	314,923	134,056	120,383	569,362
Depreciation	-	11,472	-	11,472
<b>TOTAL EXPENSES</b>	<b>\$ 314,923</b>	<b>\$ 145,528</b>	<b>\$ 120,383</b>	<b>\$ 580,834</b>



BENNINGTON AREA HABITAT FOR HUMANITY

STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30,

	2022			
	Supporting Services			Totals
	Program Services	Management and General	Fundraising	
Salaries, benefits and payroll taxes	\$ 78,547	\$ 56,171	\$ 44,617	\$ 179,335
Advertising	-	873	-	873
Annual appeal	-	1	1,062	1,063
Computer hardware and software	580	2,971	3,638	7,189
Contributions to Habitat International	-	-	22,345	22,345
Cost of homes sold (net of grants)	157,658	-	-	157,658
Copier rental	-	600	-	600
Family and property selection	658	-	-	658
Fundraising event costs	-	-	2,620	2,620
Gifts and gift certificates	-	150	-	150
HOA expenses	780	-	-	780
Home repair projects	2,240	-	-	2,240
Insurance	5,897	5,223	-	11,120
Miscellaneous	9,141	1,029	177	10,347
Printing, postage and mailing service	-	5,261	-	5,261
Professional development and travel	254	361	-	615
Professional fees	3,219	18,155	-	21,374
Real estate taxes	4,027	-	-	4,027
Office rent	-	2,100	-	2,100
Resale store operating costs	-	-	31,087	31,087
Storage facility rental	2,220	-	-	2,220
Supplies	-	1,679	2,357	4,036
Telephone	-	628	-	628
Tools	2,913	-	-	2,913
Total expenses before depreciation	268,134	95,202	107,903	471,239
Depreciation	-	11,333	-	11,333
<b>TOTAL EXPENSES</b>	<b>\$ 268,134</b>	<b>\$ 106,535</b>	<b>\$ 107,903</b>	<b>\$ 482,572</b>

See accompanying independent auditor's report and notes to financial statements.

BENNINGTON AREA HABITAT FOR HUMANITY

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30,

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 557,776	\$ 288,967
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	11,472	11,333
Amortization of discount on mortgage notes receivable	(89,057)	(195,619)
Imputed discount on mortgages issued	155,148	-
(Increase) decrease in assets:		
Accounts receivable	(109,021)	(429)
Prepaid items	(2,847)	(488)
Other receivables	(1,600)	-
Increase (decrease) in liabilities:		
Accounts payable	1,815	14,340
Accrued liabilities	(3,786)	445
Escrow accounts	1,208	3,305
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	521,108	121,854
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(377,678)	(128,792)
Disposal of property and equipment	199,038	48,261
(Increase) decrease in investments	(720,460)	(10,007)
Mortgage payments received	117,723	333,455
Mortgage notes issued	(261,704)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(1,043,081)	242,917
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(521,973)	364,771
CASH AND CASH EQUIVALENTS - JULY 1	1,223,078	858,307
CASH AND CASH EQUIVALENTS - JUNE 30	\$ 701,105	\$ 1,223,078

See accompanying independent auditor's report and notes to financial statements.

# BENNINGTON AREA HABITAT FOR HUMANITY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Activities

Bennington Area Habitat for Humanity (herein the "Organization") is a nonprofit organization incorporated and licensed to operate in the State of Vermont. The Organization constructs affordable housing for qualified persons at a cost consistent with the buyer's ability to pay off a low interest rate mortgage. The Organization's primary sources of revenue include public support and government grants.

#### Implementation of New Accounting Standards

During the year ended June 30, 2023, the following accounting standards updates issued by the Financial Accounting Standards Board became effective:

2020-08 Codification Improvements to Subtopic 310-20, Receivables - Nonrefundable Fees and Other Costs, 2020-10 Codification Improvements, 2021-04 Earnings Per Share (Topic 260), Debt - Modifications and Extinguishments (Subtopic 470-50), Compensation - Stock Compensation (Topic 718), and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options (a consensus of the FASB Emerging Issues Task Force, 2021-10 Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance.

Management has determined the impact of these updates are not material to the financial statements.

#### Basis of Presentation

The Organization prepares its financial statements on the accrual basis of accounting.

#### Display of Net Assets by Class

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions in accordance with the provisions of FASB ASU No. 2016-14. Net assets are classified as follows:

Without external source restricted net assets – These assets result from contributions and other inflows, which have no restrictions and over which the Board of Directors retains full control to use in achieving any of its institutional purposes.

BENNINGTON AREA HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

With external source restricted net assets – There are two types of assets that make up the donor restricted net assets. One type results from contributions and other inflows of assets whose use by the Organization is limited by donor imposed stipulations that can be fulfilled and removed by action of the Organization. The second type is assets subject to donor-imposed restrictions to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Restricted contributions whose restrictions are met in the year the contribution is received are reported as unrestricted. Accordingly, as of and for the years ended June 30, 2023 and 2022, the Organization had \$55,713 and \$67,679, respectively of external source restricted net assets.

Cash and Cash Equivalents

The Organization considers highly liquid investments maturing within three months of acquisition to be cash equivalents.

Receivables

Accounts receivable from other agencies are carried at the original amount billed less an estimate made for doubtful accounts based on a review of all outstanding amounts on an annual basis. Management determines the allowance for doubtful accounts by using historical experience applied to an aging of accounts receivable. Accounts receivable from other agencies is written off with board approval when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. The allowance for uncollectible accounts was estimated to be \$0 as of June 30, 2023 and 2022. Accounts receivable netted with allowances for uncollectible accounts was \$112,574 and \$3,553 for the years ended June 30, 2023 and 2022, respectively.

Mortgage notes receivable balances represent the amount charged to the homeowners for habitat houses built and secured with the real estate. Mortgages are to be paid back over an established and mutually agreed period of time. Mortgages are typically paid back on a monthly basis over varying periods depending on the homeowner's ability to pay. The mortgages are non-interest bearing. Deeds to the homes are held by the Organization. Uncollectible amounts are assessed by the Board of Directors annually.

BENNINGTON AREA HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The Organization carries investments in marketable securities with readily determinable fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Contributions

The Organization records contributions received as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions and investment income that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions or investment income is recognized.

Grants

The Organization receives funding from the Vermont Housing and Conservation Board (VHCB) and Vermont Housing Finance Agency (VHFA) on a project-by-project basis, subject to approval. If approved, grants recently have been in the amount of \$35,900 per house constructed to the minimum energy-efficiency standard, with \$30,000 used directly to reduce the homeowner's mortgage costs. The majority of funding is passed directly to homeowners to reduce the cost of construction and, thereby, the related mortgage.

Fixed Asset Acquisition

Fixed Assets are stated at cost. Additions and improvements of fixed assets in excess of \$2,000 are capitalized. Depreciation is provided by the straight-line and accelerated methods over their estimated useful lives of assets, which range from seven to thirty-nine years.

Depreciation expense for the years ended June 30, 2023 and 2022 was \$11,472 and \$11,333, respectively.

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 certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BENNINGTON AREA HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in with external source restricted net assets depending on the nature of the restrictions. When a restriction expires, restricted net assets with external source restrictions are reclassified to without external source restricted net assets.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. There were no promises to give to value in the current year.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Organization maintains deposits at financial institutions located in Vermont. Non-interest-bearing accounts at the institution are insured with no limit by the Federal Deposit Insurance Corporation (FDIC), while interest bearing accounts are insured up to \$250,000. At times during the year the bank balances may have exceeded the FDIC limit, but no losses occurred.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Organization will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party.

Cash and cash equivalents as of June 30, 2023 consisted of the following:

<u>Account type</u>	<u>Bank Balance</u>
Checking account	\$ 106,086
Money market	<u>597,889</u>
	<u>\$ 703,975</u>

Investments:

Custodial risk for investments is that, in the event of failure of the counterparty, the Organization will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

BENNINGTON AREA HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Organization does have a policy related to interest rate risk.

At June 30, 2023, the Organization's investments of \$741,106 were comprised of money market funds with readily determinable fair values. \$500,000 of this amount was covered by the Securities Investor Protection Corporation (SPIC) and consequently was not exposed to custodial risk and the balance of \$241,106 was uninsured and uncollateralized. These investments are reported in the statement of financial position at fair value, while realized and unrealized gains and losses are reported in the statement of activities

At June 30, 2023, the Organization had the following investments:

	2023		Excess of Fair Value Over Cost
	Cost	Fair Value	
Balance at end of year	\$ 20,646	\$ 741,106	\$ 720,460
Balance at beginning of year	10,639	20,646	10,007
Unrealized net gain for the year			720,460
Total net gain			<u>\$ 730,467</u>

Credit risk - Statutes for the State of Vermont authorize the Organization to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other than states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Organization does have an investment policy on credit risk.

BENNINGTON AREA HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 3 - CASH LIQUIDITY

The Organization's financial assets available for general expenditures within one year of the balance sheet date are as follows:

Financial assets at year end:	
Cash and cash equivalents	\$ 701,105
Investments	741,106
Mortgage notes receivable	862,814
Accounts receivable	112,574
Other receivables	1,600
Less those unavailable for general expenditure within one year, due to	
Non-current portion of mortgage notes receivable	(726,269)
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>(55,713)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,637,217</u>

The Organization is primarily supported by contributions from the public, Resale Store sales and grants. Because a donor's restriction or a contractual obligation requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities and other obligation come due.

NOTE 4 - MORTGAGE NOTES RECEIVABLE

As part of the Organization's mission to provide affordable housing, transfers of property to homeowners are recorded as non-interest-bearing mortgage notes receivable. These mortgage notes are valued at the finished cost of construction plus cost of the lot (total development costs) less any grants received from the Vermont Housing and Conservation Board and the Federal Home Loan Bank (Boston). The terms of the mortgages vary depending on the individual's ability to pay and range from 20 - 30 years.

The non-interest-bearing mortgages have been discounted at various rates ranging from 7.23% to 8.34% based upon prevailing market rates at the inception of the mortgages. Property taxes and insurance are the responsibility of the property owner. Discounts are amortized using the straight-line method over the lives of the mortgages.

The Organization determines uncollectible amounts annually based on payment history and homeowner's ability to pay. There were no uncollectible amounts at June 30, 2023 and 2022.



BENNINGTON AREA HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 4 - MORTGAGE NOTES RECEIVABLE (CONTINUED)

The following summarizes the mortgage notes receivable held by the Organization at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Mortgage notes receivable	\$ 2,139,395	\$ 1,995,414
Less unamortized discount	<u>(1,276,581)</u>	<u>(1,210,490)</u>
Net mortgage notes receivable	<u>\$ 862,814</u>	<u>\$ 784,924</u>

NOTE 5 - FIXED ASSETS

The following is a summary of changes in fixed assets for the year ended June 30, 2023:

	<u>Balance</u> <u>7/1/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/23</u>
Non-depreciated assets:				
Land	\$ 249,794	\$ 40,000	\$ (14,900)	\$ 274,894
Construction in progress	447,676	327,821	(184,138)	591,359
	<u>697,470</u>	<u>367,821</u>	<u>(199,038)</u>	<u>866,253</u>
Depreciated assets:				
Buildings and improvements	\$ 217,904	\$ 9,857	\$ -	\$ 227,761
Vehicle and equipment	17,762	-	-	17,762
	<u>235,666</u>	<u>9,857</u>	<u>-</u>	<u>245,523</u>
Less: Accumulated depreciation	<u>(74,647)</u>	<u>(11,472)</u>	<u>-</u>	<u>(86,119)</u>
	<u>161,019</u>	<u>(1,615)</u>	<u>-</u>	<u>159,404</u>
Net fixed assets	<u>\$ 858,489</u>	<u>\$366,206</u>	<u>\$(199,038)</u>	<u>\$ 1,025,657</u>

NOTE 6 - ESCROW BALANCES

In certain instances, amounts for property taxes and insurance are held in escrow by the Organization. The Organization pays the escrow balances as due. Homeowner escrow balances are recorded as liabilities in the financial statements.

# BENNINGTON AREA HABITAT FOR HUMANITY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

### NOTE 7 - NON-CASH ACTIVITIES

During the fiscal year ended June 30, 2023, the Organization sold one home, which was a cash sale. Therefore, there was no non-cash activity for fiscal year 2023.

### NOTE 8 - NET ASSETS

As of June 30, 2023, the Organization had net assets without external source restrictions of \$3,323,762.

The following were net assets with external source restrictions of \$55,713 and \$67,679 as of June 30, 2023 and 2022, respectively:

	2023	2022
Home repair	\$ 7,719	\$ 9,985
Nobel fund	5,094	5,294
Volunteer program	500	-
Wounded Warrior	8,600	8,600
Greenwood Crestview	33,800	33,800
Resale heat pump	-	10,000
	<u>\$ 55,713</u>	<u>\$ 67,679</u>

### NOTE 9 - RELATED PARTY TRANSACTIONS

The organization quarterly remits a portion of its contributions (excluding in-kind contributions) to Habitat for Humanity International, Inc. These funds used to construct homes in economically depressed areas around the world. For the years ended June 30, 2023 and 2022, the Organization contributed \$20,211 and \$22,345 to Habitat for Humanity International, Inc.

### NOTE 10 - CONCENTRATION OF CREDIT RISK

The Organization lends to homeowners primarily within the geographical area of Bennington County, Vermont. The mortgage loan receivable are subject to a concentration of credit risk because borrowers might be similarly affected by changes in economic or other conditions in meeting their contractual obligations.

### NOTE 11 - INCOME TAXES

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private foundation as defined in Section 509(a).

The Organization is generally no longer subject to examination by the Internal Revenue Service for fiscal years before June 30, 2020.

BENNINGTON AREA HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS  
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NOTE 12 - RETIREMENT PLAN

The Organization maintains a SIMPLE IRA plan covering substantially all employees. Under the plan, employees may contribute a statutorily determined amount of their earnings to the plan. The Organization matches an individual employee's contribution up to a maximum of 2% of the employee's compensation. Matching contributions of \$1,780 and \$1,598 were made for the years ended June 30, 2023 and 2022, respectively.

NOTE 13 - SUBSEQUENT EVENTS

Bennington Area Habitat for Humanity has evaluated subsequent events as of October 11, 2023, the date which the financial statements were available to be issued. The Organization is in the process of foreclosing on a property. The estimated total costs are \$38,021.