

*Greater Matthews Habitat For Humanity, Inc.*

*Financial Statements*

*June 30, 2023*

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***Greater Matthews Habitat for Humanity, Inc.***

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Greater Matthews Habitat For Humanity, Inc.  
Matthews, North Carolina

### Opinion

We have audited the accompanying financial statements of Greater Matthews Habitat For Humanity, Inc. ("Habitat" - a nonprofit organization), which comprise the statement 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 financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Matthews Habitat For Humanity, Inc. 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 of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greater Matthews Habitat For Humanity, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Matthews Habitat For Humanity, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Greater Matthews Habitat For Humanity, Inc.  
Matthews, North Carolina

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of Greater Matthews Habitat For Humanity, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Matthews Habitat For Humanity, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Habitat's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Foard & Company, P.A.*

November 21, 2023

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**Greater Matthews Habitat For Humanity, Inc.****Statement of Financial Position****June 30, 2023, with prior year comparative totals**

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	June 30,	
	2023	2022
<b><u>ASSETS</u></b>		
Current Assets:		
Cash	\$ 938,806	\$ 949,293
Receivables:		
Amounts paid on behalf of homeowners	2,695	4,245
Sales tax and other	3,630	8,100
Prepaid expenses	7,841	-
Mortgages, current portion	210,118	211,522
Inventories:		
Land held for development	44,103	44,103
Construction in process	6,898	26,156
Store	55,953	57,112
Total Current Assets	1,270,044	1,300,531
Long-Term Assets:		
Property and equipment (net of depreciation)	90,918	52,157
Mortgages receivable (net of present value discount)	1,585,122	1,610,884
Right of use asset	782,167	873,857
Deposits	14,255	14,835
Total Long-Term Assets	2,472,462	2,551,733
<b>TOTAL ASSETS</b>	<b>\$ 3,742,506</b>	<b>\$ 3,852,264</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 22,165	\$ 14,893
Payroll liabilities	11,810	13,582
Right of use lease liability, current portion	87,217	83,760
Notes payable, current portion	36,126	36,126
Total Current Liabilities	157,318	148,361
Long-Term Liabilities:		
Right of use lease liability (net of current portion)	712,088	799,306
Notes payable (net of present value discount and current portion)	407,856	421,413
Total Current Liabilities	1,119,944	1,220,719
Net Assets:		
Net assets without donor restrictions	2,449,744	2,412,224
Net assets with donor restrictions	15,500	70,960
Total Net Assets	2,465,244	2,483,184
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,742,506</b>	<b>\$ 3,852,264</b>

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**Greater Matthews Habitat For Humanity, Inc.****Statement of Activities****Year Ended June 30, 2023, with prior year comparative totals**

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	For the Year Ended June 30, 2023			Prior Year Comparative Totals
	Without Donor Restrictions	With Donor Restrictions	Total	
<b><u>SUPPORT AND REVENUE</u></b>				
Contributions	\$ 170,583	\$ -	\$ 170,583	\$ 159,709
Grants	111,525	15,500	127,025	123,412
Sale of homes	362,000	-	362,000	310,000
Resale store	670,282	-	670,282	681,751
Mortgage amortization	107,410	-	107,410	99,929
Employer retention credit	90,752	-	90,752	-
Other income	4,030	-	4,030	3,606
Net assets released by payment from restrictions	70,960	(70,960)	-	-
<b><i>TOTAL</i></b>	<b><i>1,587,542</i></b>	<b><i>(55,460)</i></b>	<b><i>1,532,082</i></b>	<b><i>1,378,407</i></b>
<b><u>EXPENSES</u></b>				
Program Services:				
Construction	881,428	-	881,428	753,424
Resale store	471,765	-	471,765	427,393
Management and general	104,997	-	104,997	94,726
Fundraising	91,832	-	91,832	83,607
<b><i>TOTAL</i></b>	<b><i>1,550,022</i></b>	<b><i>-</i></b>	<b><i>1,550,022</i></b>	<b><i>1,359,150</i></b>
<b><i>CHANGE IN NET ASSETS</i></b>	<b><i>37,520</i></b>	<b><i>(55,460)</i></b>	<b><i>(17,940)</i></b>	<b><i>19,257</i></b>
<b><i>NET ASSETS, BEGINNING</i></b>	<b><i>2,412,224</i></b>	<b><i>70,960</i></b>	<b><i>2,483,184</i></b>	<b><i>2,463,927</i></b>
<b><i>NET ASSETS, ENDING</i></b>	<b><i>\$ 2,449,744</i></b>	<b><i>\$ 15,500</i></b>	<b><i>\$ 2,465,244</i></b>	<b><i>\$ 2,483,184</i></b>

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**Greater Matthews Habitat For Humanity, Inc.****Statement of Functional Expenses****Year Ended June 30, 2023, with prior year comparative totals**

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	Program Services			Management and General	Fund Raising	TOTAL	Prior Year Comparative Totals
	Construction	Resale Store	Total				
Cost of homes	\$ 290,337	\$ -	\$ 290,337	\$ -	\$ -	\$ 290,337	\$ 250,346
Discount on mortgages	242,842	-	242,842	-	-	242,842	186,724
Salaries	222,081	221,718	443,799	55,546	65,886	565,231	514,496
Payroll taxes, benefits	31,406	29,691	61,097	7,855	9,317	78,269	70,103
Contracted services	31,409	14,717	46,126	30,993	2,458	79,577	73,681
Cost of goods sold	-	5,737	5,737	-	-	5,737	9,677
Occupancy	22,106	117,898	140,004	4,421	2,947	147,372	143,877
Technology, equipment	4,603	9,493	14,096	1,152	1,366	16,614	13,883
Insurance	3,063	16,336	19,399	613	408	20,420	15,546
Dues and subscriptions	3,944	942	4,886	236	280	5,402	4,309
Vehicle and travel	1,426	9,613	11,039	357	423	11,819	10,677
Supplies	16,379	10,874	27,253	2,520	7,879	37,652	19,867
Interest expense	3,385	18,055	21,440	677	451	22,568	27,568
Property taxes	5,317	-	5,317	-	-	5,317	3,494
Depreciation	3,130	16,691	19,821	627	417	20,865	14,902
<b>TOTAL</b>	<b>\$ 881,428</b>	<b>\$ 471,765</b>	<b>\$ 1,353,193</b>	<b>\$ 104,997</b>	<b>\$ 91,832</b>	<b>\$ 1,550,022</b>	<b>\$ 1,359,150</b>

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**Greater Matthews Habitat For Humanity, Inc.****Statement of Cash Flows****Year Ended June 30, 2023, with prior year comparative totals**

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	For the Year Ended June 30,	
	2023	2022
<b><u>OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ (17,940)	\$ 19,257
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	20,865	14,902
Amortization of loan fees	-	300
Loan discount on non-interest bearing loans	22,569	26,593
Change in operating lease asset and liability	7,929	9,209
(Increase) decrease in operating assets:		
Receivables	6,020	(7,468)
Prepaid expense	(7,841)	-
Inventories	20,417	(15,999)
Deposits	580	8,525
Increase (decrease) in operating liabilities:		
Accounts payable	7,272	(458)
Payroll liabilities	(1,772)	3,810
<b><i>Cash Flows from Operating Activities</i></b>	<b>58,099</b>	<b>58,671</b>
<b><u>INVESTING ACTIVITIES</u></b>		
Mortgages made to homeowners, net of discounts	(119,158)	(123,276)
Principal payments received from homeowners	253,734	209,343
Discounts on mortgages to homeowners	(107,410)	(99,929)
Purchase of property and equipment	(59,626)	-
<b><i>Cash Flows from Investing Activities</i></b>	<b>(32,460)</b>	<b>(13,862)</b>
<b><u>FINANCING ACTIVITIES</u></b>		
Principal paid on note payable	(36,126)	(79,324)
<b><i>Cash Flows from Financing Activities</i></b>	<b>(36,126)</b>	<b>(79,324)</b>
<b>CHANGE IN CASH</b>	<b>(10,487)</b>	<b>(34,515)</b>
<b>CASH, BEGINNING</b>	<b>949,293</b>	<b>983,808</b>
<b>CASH, ENDING</b>	<b>\$ 938,806</b>	<b>\$ 949,293</b>



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# ***Greater Matthews Habitat for Humanity, Inc.***

## **Notes to Financial Statements**

**June 30, 2023**

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### **NOTE 1 – NATURE OF OPERATIONS**

#### *Organization*

Greater Matthews Habitat for Humanity, Inc., (“Habitat”) is a North Carolina not-for-profit corporation that was established to encourage, promote and assist development, building, renovation, rehabilitation and maintenance of housing for low-income persons in the general area, inclusive of, but not limited to, the Town of Matthews, County of Mecklenburg, North Carolina. Habitat is an affiliate of Habitat for Humanity International (“HFH International”).

#### *Activities*

Habitat builds homes that are sold to individuals at no profit, utilizing non-interest bearing mortgages. The families are required to contribute 250 hours of “sweat equity” towards the construction of their home and other projects.

#### *Funding sources*

Habitat is supported primarily through contributions, grants, and homeowner mortgage payments. In addition, Habitat operates a resale store, which sells donated furniture and goods.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### *Basis of accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets without donor restrictions can be both undesignated and designated in nature. Undesignated net assets without donor restrictions are those currently available for use in day-to-day operations of Habitat and those resources invested in property and equipment. From time to time, the Board of Directors may designate certain amounts to be utilized or invested to meet specific objectives. Such amounts, if any, are reflected as designated net assets without donor restrictions in the accompanying statement of financial position.

*Net Assets With Donor Restrictions* - Net assets with donor restrictions consist of amounts that are temporary in nature, which are subject to donor-imposed stipulations that may or will be met, either by actions of Habitat or the passage of time, and net assets held in perpetuity, which are subject to donor-imposed stipulations that they be maintained permanently by Habitat. When a restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions whose restrictions are accomplished in the period received are reported as net assets without donor restrictions. At June 30, 2023, Habitat had purpose restricted net assets of \$15,500 for a Home Build. During the year ended June 30, 2023, Habitat had no net assets with donor restrictions that they be maintained in perpetuity.

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# ***Greater Matthews Habitat for Humanity, Inc.***

## **Notes to Financial Statements**

**June 30, 2023**

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### Receivables

The balance in receivables at year-end consisted primarily of amounts due from homeowners and sales tax paid that will be refunded. These amounts are shown at net realizable value and are expected to be collected in the following fiscal year.

### Resale store inventory

Purchased inventory is recorded at cost, utilizing a first-in, first-out flow assumption. Habitat receives a large amount of furniture and other goods which are sold in its resale store. Management has estimated the value of this inventory at any given time approximates one month's sales.

### Other inventory

Inventories also include land and construction in process, which are expected to be sold to a homeowner and are carried on the books at cost or the fair value when donated. Donated land is recorded at appraised value; however, if an appraisal was not available at the date of the contribution, it is recorded at the value used for assessing local property taxes. Costs benefiting all lots, including lots to be used in construction, are allocated between lots. Construction in progress consists of construction costs, donated goods and services capitalized in construction and an overhead allocation based on construction expenses, and salaries and wages.

### Property and equipment

Property is recorded at cost if purchased or fair value if donated, subject to a \$2,500 capitalization policy. Costs that improve or extend the useful lives of assets are capitalized. Amounts paid for maintenance and repairs are expensed as incurred. Depreciation expense is recorded using the straight-line method of depreciation over the estimated useful lives of the assets, ranging from five to ten years for furniture and equipment, five years for vehicles, and ten years for leasehold improvements.

### Donated services

Habitat pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist Habitat with program services, management and general support, and fundraising efforts. Habitat depends on volunteers to construct homes and the resale store utilizes a large number of volunteers for related functions. In accordance with accounting standards, the value of such services is not recorded in the financial statements unless the services require specialized skills or enhance the value of Habitat's assets. During the year, Habitat recorded no donated services.

### New accounting pronouncement

Habitat adopted Accounting Standards Update (ASU) 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. Habitat elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementation, Habitat recognized a right of use asset (ROU) of \$873,857 and an operating lease liability of \$883,066 as of June 30, 2022. The difference increased occupancy expenses by \$9,209.

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# ***Greater Matthews Habitat for Humanity, Inc.***

## **Notes to Financial Statements**

**June 30, 2023**

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### Leases

Habitat determines if an arrangement is or contains a lease at inception. Leases are included in the ROU assets and operating lease liabilities in the statement of financial position. ROU assets and 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 does not report ROU assets and lease liabilities for its leases with a term of 12 months or less; rather they are reported as a lease expense on a straight-line basis over the lease term.

### Federal income tax status

Habitat is exempt from Federal income tax on its exempt function income under Internal Revenue Code Section 501(c)(3) under a group exemption letter granted to HFH International, which is classified as other than a private foundation as defined by Section 509(a) of the Internal Revenue Code.

### Employer retention tax credit

Habitat has concluded that it is eligible for the Employee Retention Tax Credit (ERTC) for quarters ending in 2020 and 2021. Habitat filed amended quarterly payroll tax returns for the applicable calendar year's quarters for 2020 and 2021. As of June 30, 2023, Habitat had applied for \$116,004 and received \$90,752, which includes interest. The remaining \$31,341 has not been recorded as a receivable due to uncertainty of the timing of receipt due to new processing changes under the Internal Revenue Service. The amended returns are open to examination by the Internal Revenue Service for three years from the original filing deadline of the quarterly returns.

### Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Functional allocation of expenses

Expenses that are inherently program, management and general, or fundraising, are charged directly to those functions. Facility costs are allocated based on the estimated square footage utilized by that function. All other expenses are allocated to program services, management and general, and fundraising based on management's estimates of time spent or an analysis of the individual expenses.

### Prior-year comparative totals

The financial statements include certain prior-year summarized information in total but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with Habitat's 2022 financial statements, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to the current year's presentation.

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**Greater Matthews Habitat for Humanity, Inc.****Notes to Financial Statements****June 30, 2023**

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**NOTE 3 – PROPERTY AND EQUIPMENT***Balance at June 30, 2023*

Property and equipment which are used by Habitat in its operations consist of the following at June 30, 2023:

Leasehold improvements	\$	145,976
Furniture and equipment		16,688
Vehicles		105,123
<hr/>		
Total		267,787
Less – accumulated depreciation		176,869
<hr/>		
<b><i>PROPERTY AND EQUIPMENT, net</i></b>	<b>\$</b>	<b><i>90,918</i></b>

**NOTE 4 – MORTGAGES RECEIVABLE***Balances at June 30, 2023*

Mortgages receivable from homeowners do not bear interest. Therefore, these mortgages are carried on the books net of a discount for the present value of future payments. The interest rate used to determine this discount is established annually by HFH International and was 7.85 percent for the current fiscal year. All mortgages are revalued each year based on this discount rate. Mortgage activity for the year ended June 30, 2023, was as follows:

	<u>Mortgages</u>	<u>Discount</u>
Mortgages receivable, beginning	\$ 3,555,086	\$ 1,732,680
Add – new mortgages	362,000	242,842
<hr/>		
Subtotal	3,917,086	1,975,522
Deduct:		
Payments received and amortization of discount	253,734	107,410
Mortgages defaulted and foreclosed	-	-
<hr/>		
<b><i>MORTGAGES RECEIVABLE, ending</i></b>	<b>\$ 3,663,352</b>	<b>\$ 1,868,112</b>

Management reviews the outstanding balances regularly for collectability to determine if an allowance for doubtful accounts is needed and has frequent communication with the homeowners and is able to identify collection problems. Because the mortgages are collateralized by the related homes, which are worth more than the discounted mortgage, management feels no allowance for uncollectible accounts is required at June 30, 2023.

Net mortgages receivable of \$1,795,240 are classified as current of \$210,118 and long-term of \$1,585,122 in the accompanying statement of financial position.

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## ***Greater Matthews Habitat for Humanity, Inc.***

### **Notes to Financial Statements**

**June 30, 2023**

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#### **NOTE 5 – DEBT**

Notes payable as of June 30, 2023, consist of forty notes with original balances of \$25,000 - \$45,000 due to North Carolina Housing Finance Agency. These notes had a total balance of \$702,839, do not bear interest, and will be repaid as the mortgage payments are collected from the related homeowners. These noninterest-bearing notes payable are presented on the financial statements net of a present value discount of \$258,857, utilizing a rate of five percent.

Maturities of long-term debt occur during the year ending June 30:

2024	\$	36,126
2025		36,126
2026		36,126
2027		36,126
Thereafter		558,335
<hr/>		
Total		702,839
<hr/>		
Less:		
Present value discount		258,857
<hr/>		
<b><i>LONG-TERM DEBT, net of discounts</i></b>	<b>\$</b>	<b>443,982</b>

Habitat entered into a line of credit agreement effective May 10, 2023 for \$275,000. The agreement bears interest at the lender's Prime Rate, which is currently 8.25 percent and matures May 10, 2025, at which time all remaining principal and interest are due. There have been no borrowings on the line during the year ended June 30, 2025.

#### **NOTE 6 – LEASES**

Habitat leased office space from an unrelated party during the year under a long-term non-cancelable operating lease arrangement. The lease contains no significant restrictions. In addition, Habitat did not identify any contracts entered during the year meeting the criteria, nor did it have any finance leases during the year. The operating ROU assets represent Habitat's right to use underlying assets for the lease term, and the operating lease liability represents Habitat's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease term. Habitat has made an accounting policy election to use a risk-free rate of interest in lieu of its incremental borrowing rate to discount future lease payments. The discount rate represents the weighted average risk-free discount rate using a period comparable with that of the individual lease term. At June 30, 2023, the operating lease ROU asset balance was \$782,167, and the operating lease liability was \$799,305. The total lease costs for the year ended June 30, 2023, was \$90,040.

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**Greater Matthews Habitat for Humanity, Inc.****Notes to Financial Statements****June 30, 2023**

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As of June 30, 2023:

Weighted-average discount rate:

Operating lease 1.2%

Weighted-average remaining lease term

Operating lease 9.08

Future minimum lease payments required under the operating lease are as follows:

Year ended June 30:	2023
2024	\$ 96,331
2025	98,774
2026	101,342
2027	101,557
Thereafter	442,249
Total lease payment	840,253
Less: present value discount	(40,948)
Present value of liability	<u>\$ 799,305</u>

**NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Habitat has \$1,155,249 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$938,806, receivables of \$6,325, which are expected to be collected during the year, and \$210,118 of mortgage payments due from homeowners within the next year. Of these assets, \$15,500 are subject to donor restrictions that they are utilized for a specific purpose. Habitat has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due and maintains a line of credit of up to \$275,000 in case of emergency needs. In addition, as part of its liquidity Habitat invests cash in excess of daily requirements in short-term investments, primarily money market funds.

**NOTE 8 - RETIREMENT PLAN**

Habitat maintains a retirement plan, as described in Internal Revenue Code Section 401(k), for the benefit of its employees. Employees can make pretax contributions to the plan up to limits established by the Internal Revenue Service. For the year ended June 30, 2023, Habitat chose not to make any matching or discretionary non-elective contributions on behalf of its employees.

**NOTE 9 – CONCENTRATIONS OF RISK**Cash

Cash in bank accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Habitat regularly maintains cash in excess of insured limits covered by the FDIC but management believes the risk is minimal due to the creditworthiness of the financial institution.

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***Greater Matthews Habitat for Humanity, Inc.*****Notes to Financial Statements****June 30, 2023**

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***Geographic area***

Habitat operates in a small geographic area and is therefore sensitive to changes in the local economy.

**NOTE 10 – RELATED PARTY TRANSACTIONS**

Habitat annually remits a portion of its contributions (excluding any in-kind contributions) to HFH International. These funds are used to construct houses in economically depressed areas around the world. During the year, Habitat contributed \$3,000 to HFH International.

**NOTE 11 – SUBSEQUENT EVENTS**

Habitat has evaluated subsequent events from the date of the statement of financial position through the date of the audit report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.