

GLOUCESTER COUNTY HABITAT FOR HUMANITY, INC.

**FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2024 AND**

**INDEPENDENT AUDITOR'S
REPORT**

Ditmars, Perazza & Co.

CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

**To the Board of Directors of the Gloucester
County Habitat for Humanity, Inc.:**

September 16, 2024

Opinion

We have audited the accompanying financial statements of the Gloucester County Habitat for Humanity, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities of functional expenses and of cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Gloucester County Habitat for Humanity, Inc. 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Gloucester County 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance

but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Gloucester County 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 the Gloucester County 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 the Gloucester County Habitat for Humanity's Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 21, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.


Ditmars, Perazza & Co.

GLOUCESTER COUNTY HABITAT FOR HUMANITY, INC.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS:		
Cash and cash equivalents	\$ 407,548	\$ 388,390
Mortgages receivable	136,897	142,185
Unamortized discount on mortgage	(60,122)	(62,203)
Mortgages receivable - Net	<u>76,775</u>	<u>79,982</u>
Grants receivable	5,425	4,916
Other receivables and assets	62,001	5,551
Prepaid expenses	14,541	22,046
Construction work in progress	197,722	259,554
Construction and ReStore inventories	-	6,914
Purchased and donated properties	46,249	46,249
Certificate of deposit - restricted	23,583	24,583
Property and equipment net of depreciation of \$ 332,136 and \$ 301,603, respectively	526,381	550,914
TOTAL ASSETS	<u><u>\$ 833,844</u></u>	<u><u>\$ 1,389,099</u></u>
LIABILITIES AND NET ASSETS:		
Liabilities		
Account payable	\$ 72,835	\$ 45,138
Closing cost escrows	9,675	19,950
Bank line of credit	-	75,000
Total Liabilities	<u>82,510</u>	<u>140,088</u>
Net Assets:		
Without donor restrictions:		
Unreserved	1,226,367	1,173,410
Board restricted CHDO reserve	51,348	60,601
With Donor restrictions	-	15,000
Total Net Assets	<u>1,277,715</u>	<u>1,249,011</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,360,225</u></u>	<u><u>\$ 1,389,099</u></u>

The accompanying footnotes are an integral part of the financial statements.

GLOUCESTER COUNTY HABITAT FOR HUMANITY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

(With summarized totals for 2023)

SUPPORT AND REVENUE:	Without Donor Restrictions	With Donor Restrictions	Totals 2024	Totals 2023
Public Support:				
Individuals, business and other	\$ 102,023		\$ 102,023	\$ 107,662
Indirect public support	7,947		7,947	2,950
Grants	180,670	\$ 15,000	195,670	155,826
Property donations			-	-
Income from ReStore sales - net	193,042		193,042	160,956
Fundraising events	69,088		69,088	85,805
Sale of homes to partner families	343,888		343,888	270,000
Program income			-	1,860
Investment income	2,155		2,155	1,386
Other income - ERC	149,716		149,716	500
Mortgage interest discount amortization	2,081		2,081	2,081
Net assets released from restrictions	30,000	(30,000)	-	-
TOTAL SUPPORT AND REVENUE	<u>1,080,610</u>	<u>(15,000)</u>	<u>1,065,610</u>	<u>789,026</u>
EXPENSES:				
Program Services	704,702		704,702	448,246
Administrative	208,536		208,536	200,184
Fund Raising	123,668		123,668	140,938
TOTAL EXPENSES	<u>1,036,906</u>	<u>-</u>	<u>1,036,906</u>	<u>789,368</u>
CHANGE IN NET ASSETS	43,704	(15,000)	28,704	(342)
NET ASSETS, BEGINNING OF YEAR:	1,234,011	15,000	1,249,011	1,249,353
NET ASSETS, END OF YEAR	<u>\$ 1,277,715</u>	<u>\$ -</u>	<u>\$ 1,277,715</u>	<u>\$ 1,249,011</u>

The accompanying footnotes are an integral part of the financial statements.

GLOUCESTER COUNTY HABITAT FOR HUMANITY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

(With summarized totals for 2023)

	Program Services	Management & General	Fund Raising	Totals 2024	Totals 2023
Affiliate Tithe	\$ 8,000		\$	8,000	16,100
Community relations	554	3,245	\$ 1,709	5,508	6,491
Computer expenses	22	7,850	5,547	13,419	19,826
Construction costs	395,581			395,581	\$ 135,058
Depreciation	12,948	4,926	1,484	19,358	22,631
Fees		1,150	180	1,330	1,349
Home sale adjustment	129,868			129,868	158,200
Insurance	25,226	17,072	1,011	43,309	54,140
Mortgage and other interest		5,079		5,079	425
Office expenses	18	8,841	2,007	10,866	11,887
Other		1,876	267	2,143	3,566
Personnel costs	109,276	83,359	90,094	282,729	245,120
Postage and freight		1,450		1,450	956
Professional services	2,000	63,281	932	66,213	66,972
Special events			18,701	18,701	24,521
Telephone & fax	544	7,341	26	7,911	3,856
Tools and other program expenses	4,049			4,049	1,067
Travel, meals and conferences	632	2,913	1,710	5,255	3,014
Vehicle	6,375			6,375	5,711
Volunteer administration		153		153	358
Warehouse expenses	9,609			9,609	8,120
	<u>\$ 704,702</u>	<u>\$ 208,536</u>	<u>\$ 123,668</u>	<u>\$ 1,036,906</u>	<u>\$ 789,368</u>

The accompanying footnotes are an integral part of the financial statements.

GLOUCESTER COUNTY HABITAT FOR HUMANITY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u>
FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ 28,704
Add - depreciation	30,533
Mortgage payments and adjustments	5,288
Change in grants receivable	(509)
Change in other receivables	(56,450)
Change in prepaid expenses	7,505
Change in certificate of deposit - Restricted	1,000
Change in inventories	6,914
Change in purchased and donated property	-
Change in construction work in progress	61,832
Change accounts payable	27,697
Change in closing cost escrows	(10,275)
Change in Covey suspense	
Cash Flows from (used) in Operating Activities	<u>102,239</u>
FROM INVESTING ACTIVITIES:	
Mortgage discount amortization	(2,081)
Property additions - net	(6,000)
Cash Flows (used in) from Investing Activities	<u>(8,081)</u>
FROM FINANCING ACTIVITIES:	
Proceeds from line of credit advance	(75,000)
Cash Flows used in Financing Activities	<u>(75,000)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	19,158
BEGINNING CASH AND CASH EQUIVALENTS	<u>388,390</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 407,548</u></u>
SUPPLEMENTAL INFORMATION:	
Interest paid	<u><u>\$ 5,079</u></u>

The accompanying footnotes are an integral part of the financial statements.

**GLOUCESTER COUNTY HABITAT FOR HUMANITY, INC.
NOTES TO THE FINANCIAL, STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose - Gloucester County Habitat for Humanity, Inc. (GCHH) is a not-for-profit organization affiliated with Habitat for Humanity International, Inc. (HFHI). GCHH acquires land and buildings for construction and renovation into affordable housing. Land and construction materials are both purchased and donated. Much of the construction labor is volunteered, some of which is provided by qualified partner families under GCHH's "sweat equity" participation requirements. GCHH also assists partner families in obtaining a mortgage for their assigned property and provides financial management training and counselling.

In recent years GCHH formed a separate Community Housing Development Organization entitled "GCHFH-CHDO, Inc." Two of the three members of GCHFH-CHDO, Inc.'s Board of Directors are also GCHH Board members and the two entities share a common Executive Director. GCHFH-CHDO, Inc. holds no tangible assets and primarily seeks to secure certain government grants for the construction of affordable housing. In this regard, GCHH will be engaged by GCHFH-CHDO, Inc. under terms of a General Services Agreement which addresses the parties respective responsibilities and compensation. For purposes of these financial statements and Federal tax filings, any financial transactions relating to GCHFH-CHDO Inc. are assumed to be those of GCHH.

Basis of Accounting

The financial statements of GCHH have been prepared on the accrual basis of accounting.

Basis of Presentation

In a prior year GCHH adopted the new standards issued in August 2016 relating to the Presentation of Financial Statements of Not-for-Profit entities. These new standards are intended to improve the presentation of financial statements of not-for-profit (NFP) entities. The new standards eliminates the distinction between resources with permanent restrictions and those with temporary restrictions from the face of NFP financial statements by reducing the current three net asset classes (unrestricted, temporarily restricted, and permanently restricted) to two classes (net assets with donor restrictions and net assets without donor restrictions). The standards also require additional information to be disclosed about expense classifications, liquidity and availability of resources.

New Accounting Pronouncements

Revenue from Contracts with Customers – In May 2014, the Financial Accounting Standards Board issued guidance that replaces the existing accounting standards for revenue recognition. The guidance requires an organization to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration it is entitled to receive in exchange for those goods or services. The standard is effective during the current fiscal year.

Leases – Issued in February 2016, Accounting Standards Update (ASU) No. 2016-02 requires lessees to recognize right-of-use assets and lease liabilities on the balance sheet for the rights and obligations created by all leases with terms of more than 12 months. This new accounting will apply to both types of leases-capital (or finance) leases and operating leases. Previously, accounting principles generally accepted in the United States of America has required only capital leases to be recognized on lessee balance sheets. The standard went into effect during the current fiscal year.

Contributions - In June 2018, FASB issued ASU 2018-08 “*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*”. The new guidance assists not-for-profit entities in determining whether to account for a transfer of assets as a contribution or an exchange transaction. This ASU also clarifies that a contribution is conditional if the agreement includes both a barrier (as defined) and a right of return or release. The standard is effective for the current fiscal year.

Credit Losses

In June 2016, the FASB issued Accounting Standards Update ASU 2016-13 “Financial Instruments – Credit Losses (Topic 326).” The overall objective of the standard is to enable financial statement users to understand the credit risk inherent in the Organization’s portfolio and how management monitors the portfolio’s credit quality, management’s estimate of expected credit losses, and the changes in the estimate of expected credit losses that have taken place during the period. ASU 2016-13 requires organizations to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Organizations will now use forward-looking information to better inform their credit loss estimates. The effective date of the standard is for fiscal years beginning after December 15, 2022.

Donor Imposed Restrictions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a

donor 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 in the statement of activities as net assets released from restrictions. GCHH follows the policy of showing donor contributions whose restrictions are met in the same reporting period as donations without donor restrictions.

Cash and Cash equivalents

GCHH considers all highly liquid investments with an original maturity of less than one year to be cash equivalents. Cash and cash equivalents consist of checking accounts, savings accounts and a short term certificate of deposit.

Mortgages receivable

Mortgages receivable consists of non-interest bearing mortgages which are secured by real estate and are receivable in monthly installments over the life of the mortgage.

Donated Services and Materials

Donated services are recognized as contributions in accordance with standards of the Financial Accounting Standards Board, if the services (a) create or enhance non financial assets or (b) require specialized skills, as performed by people with those skills, and would otherwise be purchased by GCHH. GCHH does not consider that donated services by individuals with specialized skills to meet this criteria in that they would generally not be required to purchase the services. In addition a substantial number of volunteers have made significant contributions of their time to GCHH's program and supporting services. The value of this contributed time is not reflected in these financial statements since it does not meet the above criteria.

GCHH also receives donated building materials which are used in home construction. These donations are generally not significant and therefore are not included in the accompanying statements.

Transfers to Homeowners

Sales to homeowners are recorded at the gross mortgage amount. Non-interest bearing mortgages have been discounted based upon prevailing market rates for low income housing at the inception of the mortgages. Utilizing a straight-line basis, this discount is recognized as interest income over the term of the mortgage.

Construction in Progress/ Project Income

Direct costs associated with the renovation of properties are capitalized. When the property is sold the related costs are offset against the sales price and the excess revenues or expenses are reflected in the statement of activities. Any excess revenues from the sale of a property are used to offset overhead costs and to provide for the continuation of GCHH's mission. When the property is sold, the cost of construction is reflected in the Statement of Activities.

Property and Depreciation

Property and equipment are stated at cost. Depreciation is provided using the straight line method over the estimated useful lives of the related asset.

Income Taxes

GCHH has received exemption from income taxes under Section 501 (c) (3) of the Internal Revenue Code and qualifies as a public charity.

Refundable Advances – Grants

GCHH treats any grant funds that have not been earned and could be returned to the grantor if not spent as refundable advances – grants in the accompanying Statement of Financial Position.

Estimates in the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Financial Accounting Standards Board has issued a standard that applies to annual financial periods ending after June 15, 2009. These standards establish principles setting forth the period after the balance sheet date during which management shall evaluate events and transactions that may occur for potential recognition or disclosure in the financial statements. For the purposes of this accounting standard, GCHH has evaluated subsequent events through September 16, 2024

Fair Value Measurements

GCHH has adopted the Financial Accounting Standards Board's standards that apply to all assets and liabilities that are being measured and reported on a fair value basis. Under the standards new disclosures are required that establish a framework for measuring fair value in accounting principles generally accepted in the United States of America, and expands disclosure about fair value measurements. The standards enable the reader of the financial statements to access the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values.

The standards require that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

1. Level 1: Quoted market prices in active markets for identical assets or liabilities
2. Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
3. Level 3: Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, GCHH performs a detailed analysis of the assets and liabilities that are subject to the Standards.

The carrying amounts of financial instruments including cash and cash equivalents, receivables, prepaid and payables approximates fair value due to the short maturity of these instruments.

Income Taxes

In June 2006 the Financial Accounting Standards Board issued FIN 48, Accounting for Uncertainty in Income Taxes, which prescribes how an entity should measure, recognize, present and disclose in its financial statements tax positions that an organization has taken or expects to take on its information returns. FIN 48 is effective for years beginning after December 31, 2008 for nonpublic entities.

GCHH regularly reviews and evaluates its tax positions taken in previously filed information returns with regard to issues affecting its tax exempt status, unrelated business income and related matters. Based on GCHH's evaluation of their positions relating to any relevant matters no tax benefits or liabilities are required to be recognized in accordance with FIN 48.

Advertising

Advertising costs are expensed as incurred.

2. MORTGAGE RECEIVABLE

The mortgages receivable balance at June 30, 2024 consists of 4 loans on properties developed by GCHH. These loans are non interest bearing loans with original maturities of 30 years. The balance receivable for these loans was \$ 136,897 at June 30, 2024.

The amount of principal that will be collected on the above mortgages is approximately \$5,000 per year for each of the next five years.

Effective July 1, 2013 GCHH contracted with a service provider to service the loans, collect the payments and pay escrow related costs. When required, GCHH advances funds to cover any escrow deficit balances.

3. CONSTRUCTION IN PROGRESS

As of June 30, 2024 GCHH was in the process of renovating a number of properties for future sales under the program.

4. DISCOUNT ON MORTGAGES RECEIVABLE

GCHH accounts for its mortgages in accordance with the HFHI's U.S. Affiliate Accounting Policy Manual. Under this guide the non interest bearing mortgages are

discounted to their present value at the time the mortgage is issued. The discounted amount is amortized over the life of the mortgage using a imputed interest rate, averaging 8 % on a straight line basis.

The following reflects the activity in the related accounts for the year ended June 30, 2024:

Unamortized Discount on Mortgages:

Balance at June 30, 2023	\$ 62,203
Discount on Mortgages Issued in 2024	-
Mortgage Discount Amortization for 2024	<u>(2,081)</u>
Balance at June 30, 2024	<u>\$ 60,122</u>

5. ZERO EQUIVALENT MORTGAGES

Commencing in 2012 GCHH entered into an arrangement with several local financial institutions to provide mortgages to its partner families for the purchase of the completed home. The mortgages are discounted by the financial institution to achieve a monthly payment that would be the equivalent of the amount of the payment if GCHH took back a non interest bearing mortgage. As a further protection for GCHH, it also enters into a second mortgage (silent second) with the partner family that is equal to the difference between the sales price of the home and amount of the financial institutions mortgage. If the property were sold, GCHH would have the right to receive this difference. During the year GCHH received a second mortgage in the amount of \$ 129,868 on the homes that were sold in 2024.

6. LINE OF CREDIT

In March 2011 GCHH entered into a line of credit arrangement with a local financial institution in the amount of \$ 150,000. Interest on any outstanding balance is computed using a variable NY prime rate as published in the Wall Street Journal. As of June 30, 2024 there was no amount due on the line.

7. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the programs and activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses are allocated on a reasonable basis this is consistently applied based on effort, time or usage. GCHH charges expenses to one of three categories defined as follows:

Program Services - This category includes expenses in support of the Construction and ReStore Programs and other expenses relating to family selection and volunteer coordination.

Management and General - This category relates to activities related to policy development, planning, design and implementation of GCHH's programs and services and include administrative, financial and personnel management functions.

Fund Raising - The category includes activities related to efforts to solicit, attract and increase financial support.

8. TRANSACTIONS WITH HABITAT FOR HUMANITY INTERNATIONAL

GCHH annually remits a portion of its unrestricted contributions (excluding in-kind contributions) to HFHI, in the form of affiliate Tithe. GCHH also remits to HFHI a SOSI (Stewardship and Organization Sustainability Initiative) fee for support provided by the organization. For 2024, the affiliate Tithe of \$ 8,000 is included in direct program costs in the Statement of Activities and the SOSI fee of \$ 15,000 is included in the ReStore expenses that are netted vs. the ReStore sales.

9. RESTORE PROGRAM

In a prior year GCHH commenced a "ReStore Program". Under this program GCHH sells donated building materials and household items to the public at retail. The financial results of the ReStore operation are presented net of direct expenses in the accompanying Statement of Activities. The mission of the ReStore operation is to use the income it generates to help offset the management & general expenses of GCHH.

10. LEONA AVENUE LIABILITY

During a prior year GCHH was donated a property (land and building) located in Woodbury, NJ. The property is used as a construction workshop and warehouse as well as a storage site for the ReStore Program. As new owners, GCHH assumed certain limited environmental liabilities.

In January 2018, based on an agreement with local officials, GCHH procured a \$ 30,000 Certificate of Deposit with Parke Bank that was fully restricted to defray potential future costs of soil remediation. This agreed restriction will however, amortize to zero on a straight line manner over 360 monthly periods, assuming, as management expects, that no incremental environment liabilities are identified. As of June 30, 2024, with accrued interest, the balance of this Certificate of Deposit had grown to \$ 31,847, while the restriction had amortized to \$ 23,583. The difference of \$ 8,264 is unrestricted and reflected in the Cash and Cash Equivalents line item.

11. COMPARATIVE FINANCIAL INFORMATION

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the GCHH'S financial statements for the year ended June 30, 2023.

12. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures within one year of the statement of financial position date comprise the following:

Cash and cash equivalents	\$ 407,548
Grants and accounts receivable	5,425
Mortgage principal payments	5,000
Less those not available to meet the general obligations	
Within one year due to:	
Donor restricted grant	-
Board designated – CHDO reserve	(51,348)

Total Financial Assets Available for General Expenditures	\$ 366,625
	=====

GCHH regularly monitors liquidity to meet its operating needs. GCHH has various sources of liquidity at its disposal, including cash and cash equivalents and a line of credit.

For purposes of analyzing resources available to meet general expenditures over a 12 month period, GCHH considers all expenditures related to its ongoing activities of providing social services as well as the conduct of services undertaken to support these activities to be general expenditures.

13. EMPLOYEE RETENTION CREDIT

During the prior fiscal year, GCHH analyzed its eligibility and applied to the IRS under the Employee Retention Credit (ERC) program, with the assistance of a third party consultant. This Federal program provides for cash refunds to Not-for-Profit organizations that retained employees and/or suffered revenue declines during the COVID-19 pandemic when government mandated shutdowns were in effect.

As of June 30, 2023 GCHH received notice that GCHH would receive a portion of the amount requested in the amount of \$ 91,627 early in the next fiscal year. Based on this amount the third party consultant was paid a contingent fee of \$ 18,325 in July 2023. Relatively contemporaneous IRS notices and press articles described issues with the ERC program, which was partially suspended in September 2023. Accordingly, with respect to the ERC, GCHH's June 30, 2023 financial statements reflect only the accounts payable for fees paid to its third party consultant with no receivable or revenue recorded.

Early in the 2024 fiscal year, GCHH did receive the first ERC partial payment, including interest totaling \$ 91,267. In June 2024, GCHH received notice from the IRS that a second payment in the amount of \$ 57,981, including interest, would be forthcoming. As this payment arrived in July 2024, both payments were recorded as Other Income in the 2024 fiscal year, with an associated expense and payable to the third party consultant.