



FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023



TABLE OF CONTENTS

Independent Auditors' Report.....	2
STATEMENTS OF FINANCIAL POSITION.....	4
STATEMENTS OF ACTIVITIES	6
STATEMENTS OF FUNCTIONAL EXPENSES	8
STATEMENTS OF CASH FLOWS	10
NOTES TO FINANCIAL STATEMENTS.....	12
SUPPLEMENTARY INFORMATION:	
Schedule of Expenditures of Federal Awards	29
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by Uniform Guidance	32
Schedule of Findings and Questioned Costs	35



Independent Auditors' Report

Board of Directors
Greeley Area Habitat for Humanity, Inc.
dba Greeley-Weld Habitat for Humanity
Greeley, Colorado

Opinion

We have audited the financial statements of Greeley Area Habitat for Humanity, Inc., dba Greeley-Weld Habitat for Humanity, which comprise the statements of financial position as of June 30, 2024 and 2023, the related statements of activities, statements of functional expenses and statements of cash flows for the years 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 the Greeley-Weld Habitat for Humanity as of June 30, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Greeley-Weld Habitat for Humanity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Greeley-Weld Habitat for Humanity's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 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 and *Government 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 Greeley-Weld 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 substantial doubt about the Greeley-Weld 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200* and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2025 on our consideration of Greeley-Weld Habitat for Humanity's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering Greeley-Weld Habitat for Humanity's internal control over financial reporting and compliance.

Anderson + Whitney, P.C.

February 14, 2025

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

STATEMENTS OF FINANCIAL POSITION

June 30	2024	2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 7,133,072	\$ 2,053,122
Homeowners escrow and association accounts - restricted cash	92,792	80,459
Short-term investments	512,618	2,915,638
Receivables:		
Current portion of mortgages, net of discount	91,390	118,691
Grants and other	50,817	44,858
ReStore inventory	60,997	93,055
Prepaid permit fees	(810)	177,563
Homes under construction	1,452,693	1,748,909
Total Current Assets	9,393,569	7,232,295
Property and Equipment:		
Land and land improvements - Habitat North HOA	6,515	6,515
ReStore equipment and fixtures	142,741	142,741
Equipment and other	438,379	405,713
	587,635	554,969
Less: Accumulated Depreciation	274,695	226,836
Total Property and Equipment	312,940	328,133
Other Assets:		
Mortgages receivable, net of discount and current portion	1,288,006	1,488,059
Land development costs	19,122,335	10,225,819
Beneficial interest in assets held by Community Foundation	25,035	23,155
Other assets	29,161	29,161
Right of use asset - ReStore lease	324,467	452,763
Total Other Assets	20,789,004	12,218,957
TOTAL ASSETS	\$30,495,513	\$19,779,385

Continued on next page.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

STATEMENTS OF FINANCIAL POSITION - Continued

June 30	2024	2023
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 1,452,524	\$ 149,180
Payroll liabilities	101,258	93,237
Accrued expenses and other liabilities	44,983	45,677
Lease liability - ReStore lease	140,215	130,837
Current portion of notes payable	2,504,872	-
Total Current Liabilities	4,243,852	418,931
Long Term Debt		
Notes payable, less current portion	1,529,756	534,500
Lease liability - ReStore operating lease	214,428	354,642
Total Long Term Liabilities	1,744,184	889,142
Total Liabilities	5,988,036	1,308,073
NET ASSETS		
Without donor restrictions:		
Undesignated	4,566,343	5,021,278
Investment in Hope Springs development	14,994,812	-
Investment in mortgages receivable	1,379,396	1,606,750
Board designated	1,126,926	9,763,284
With donor restrictions	2,440,000	2,080,000
Total Net Assets	24,507,477	18,471,312
TOTAL LIABILITIES AND NET ASSETS	\$30,495,513	\$19,779,385

See Accompanying Notes to Financial Statements.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

STATEMENTS OF ACTIVITIES

Years Ended June 30	2024		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenue:			
Home sales	\$ 1,925,019	\$ -	\$ 1,925,019
Mortgage discount amortization	145,330	-	145,330
Gain on sale of mortgages	252,323	-	252,323
Second mortgage recapture	36,168	-	36,168
ReStore sales	1,043,705	-	1,043,705
Contributions:			
Corporate	143,893	-	143,893
Individual	210,326	-	210,326
Foundations	55,000	-	55,000
Churches and civic groups	16,413	-	16,413
Donated goods, services and property	98,609	-	98,609
Special events	341,560	-	341,560
Grants	4,519,318	2,440,000	6,959,318
Net assets released from restrictions	2,080,000	(2,080,000)	-
Total Revenue	10,867,664	360,000	11,227,664
Expenses:			
Home construction	3,536,973	-	3,536,973
Family support	167,278	-	167,278
ReStore	1,008,502	-	1,008,502
Fund raising	246,138	-	246,138
Management and general	552,001	-	552,001
Total Expenses	5,510,892	-	5,510,892
Change in Net Assets from Operations	5,356,772	360,000	5,716,772
Other Income and Expense:			
Oil and gas royalties	18,106	-	18,106
Miscellaneous	32,171	-	32,171
Interest and dividends	258,858	-	258,858
Homeowners' Association, net	8,555	-	8,555
Gain (loss) on assets	1,703	-	1,703
Total Other Income and Expense, Net	319,393	-	319,393
Change in Net Assets	5,676,165	360,000	6,036,165
Net Assets, Beginning of Year	16,391,312	2,080,000	18,471,312
Net Assets, End of Year	\$ 22,067,477	\$ 2,440,000	\$ 24,507,477

See Accompanying Notes to Financial Statements.

2023		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 2,221,550	\$ -	\$ 2,221,550
117,891	-	117,891
-	-	-
1,710	-	1,710
1,005,376	-	1,005,376
164,626	2,050,000	2,214,626
181,929	-	181,929
95,300	-	95,300
12,180	-	12,180
9,178,994	-	9,178,994
277,731	-	277,731
1,061,067	30,000	1,091,067
-	-	-
14,318,354	2,080,000	16,398,354
4,529,957	-	4,529,957
157,089	-	157,089
946,859	-	946,859
228,490	-	228,490
616,878	-	616,878
6,479,273	-	6,479,273
7,839,081	2,080,000	9,919,081
41,927	-	41,927
22,659	-	22,659
44,143	-	44,143
(17,019)	-	(17,019)
1,183	-	1,183
92,893	-	92,893
7,931,974	2,080,000	10,011,974
8,459,338	-	8,459,338
\$ 16,391,312	\$ 2,080,000	\$ 18,471,312

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30	2024					Total
	Home Construction	Family Support	ReStore	Fund Raising	Management and General	
Personnel Costs:						
Salaries and wages	\$ 294,666	\$ 120,412	\$ 457,353	\$ 141,398	\$ 317,620	\$ 1,331,449
Benefits and payroll taxes	55,750	27,247	76,340	17,202	43,480	220,019
Total Personnel Costs	350,416	147,659	533,693	158,600	361,100	1,551,468
Advertising	-	-	8,139	-	26,750	34,889
Discounts on new mortgages issued	227,808	-	-	-	-	227,808
Cost of homes transferred to homeowners	2,882,871	-	-	-	-	2,882,871
Credit card processing	-	-	21,703	-	-	21,703
Depreciation	12,729	-	32,781	-	14,349	59,859
Donations	-	-	-	-	-	-
Dues and Tithe	33,158	-	-	-	11,782	44,940
Food and amenities	-	-	1,243	12,240	1,213	14,696
Grant application fees	-	-	-	20,500	-	20,500
Insurance	26,238	-	19,507	-	5,390	51,135
Interest and financing fees	5,000	-	-	-	-	5,000
Office supplies	-	2,966	44,116	2,634	36,706	86,422
Other costs	(1,247)	476	9,841	8,949	27,991	46,010
Special events	-	-	-	20,008	-	20,008
Postage and printing	-	4,365	-	11,395	505	16,265
Professional fees	-	-	-	-	40,270	40,270
Purchased inventory sold	-	-	143,037	-	-	143,037
Rent	-	11,812	97,735	11,812	15,487	136,846
Repair and maintenance	-	-	10,770	-	1,157	11,927
Telephone	-	-	4,730	-	3,935	8,665
Utilities and trash removal	-	-	66,525	-	5,366	71,891
Vehicle expenses	-	-	14,682	-	-	14,682
	\$ 3,536,973	\$ 167,278	\$ 1,008,502	\$ 246,138	\$ 552,001	\$ 5,510,892
Percentage of total expenses	64%	3%	18%	5%	9%	100.00%

Continued on next page.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

STATEMENTS OF FUNCTIONAL EXPENSES - Continued

Year Ended June 30	2023					
	Home Construction	Family Support	ReStore	Fund Raising	Management and General	Total
Personnel Costs:						
Salaries and wages	\$ 340,993	\$ 112,692	\$ 455,416	\$ 135,880	\$ 316,009	\$ 1,360,990
Benefits and payroll taxes	65,362	23,293	75,774	19,655	31,891	215,975
Total Personnel Costs	406,355	135,985	531,190	155,535	347,900	1,576,965
Advertising	-	-	7,825	-	26,200	34,025
Discounts on new mortgages issued	107,718	-	-	-	-	107,718
Cost of homes transferred to homeowners	3,939,392	-	-	-	-	3,939,392
Credit card processing	-	-	21,419	-	-	21,419
Depreciation	4,831	-	23,358	-	33,109	61,298
Donations	-	-	-	-	84,300	84,300
Dues and tithing	27,781	-	-	-	11,883	39,664
Food and amenities	-	-	1,146	6,711	865	8,722
Grant application fees	-	-	-	18,000	-	18,000
Insurance	23,615	-	16,966	-	5,246	45,827
Interest and financing fees	5,000	-	-	-	-	5,000
Office supplies	-	2,637	35,794	2,541	29,641	70,613
Other costs	15,265	2,501	717	4,901	18,161	41,545
Special events	-	-	-	9,462	-	9,462
Postage and printing	-	4,045	-	19,419	455	23,919
Professional fees	-	-	-	-	34,164	34,164
Purchased inventory sold	-	-	102,580	-	-	102,580
Rent	-	11,921	103,962	11,921	12,992	140,796
Repair and maintenance	-	-	17,966	-	2,019	19,985
Telephone	-	-	4,601	-	3,865	8,466
Utilities and trash removal	-	-	65,581	-	6,078	71,659
Vehicle expenses	-	-	13,754	-	-	13,754
	\$ 4,529,957	\$ 157,089	\$ 946,859	\$ 228,490	\$ 616,878	\$ 6,479,273
Percentage of total expenses	70%	2%	14%	4%	10%	100%

See Accompanying Notes to Financial Statements.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

STATEMENTS OF CASH FLOWS

Years Ended June 30	2024	2023
Cash Flows from Operating Activities:		
Cash received from contributions, grants, and other funding sources	\$ 10,262,723	\$ 6,820,052
Cash paid to employees and suppliers	(2,423,918)	(5,230,852)
Interest received	245,683	25,739
Interest paid	(87,860)	-
Net Cash Provided by Operating Activities	7,996,628	1,614,939
Cash Flows from Investing Activities:		
Purchase of short term investment	-	(2,900,000)
Proceeds from short term investment	2,415,638	-
Payments received on mortgages receivable	285,649	295,740
Proceeds from sale of mortgages receivable	491,550	-
Land development costs (Mission Homestead, Hope Springs)	(9,547,644)	(69,944)
Acquisition of property, equipment and vehicles	(44,666)	-
Net Cash Provided (Used) by Investing Activities	(6,399,473)	(2,674,204)
Cash Flows from Financing Activities:		
Proceeds from long term debt	3,500,000	-
Payment on long term debt	(4,872)	-
Net Cash Provided by Financing Activities	3,495,128	-
Net Increase (Decrease) in Cash	5,092,283	(1,059,265)
Cash, cash equivalents, and restricted cash, Beginning of Year	2,133,581	3,192,846
Cash, cash equivalents, and restricted cash, End of Year	\$ 7,225,864	\$ 2,133,581

Continued on next page.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

STATEMENTS OF CASH FLOWS - Continued

Years Ended June 30	2024	2023
Reconciliation of Change in Net Assets to Net Cash from		
Operating Activities:		
Change in net assets	\$ 6,036,165	\$10,011,974
Adjustments:		
Depreciation	59,859	61,298
New mortgages transferred to homeowners, net of discount	(152,192)	(67,282)
Amortization of mortgage discounts	(145,330)	(117,891)
(Gain) loss on assets and reinvested earnings	(14,498)	(16,987)
Gain on sale of mortgage receivable	(252,323)	-
Capitalized construction interest	(87,860)	-
Donated assets	(98,609)	(9,094,694)
Land development costs allocated to homeowners	738,988	891,146
Right-of-use asset - ReStore operating lease amortization	(2,540)	3,462
(Increase) decrease in:		
ReStore inventory	(2,027)	(3,785)
Grants receivable	(5,959)	(21,084)
Construction in progress	428,910	(59,057)
Prepaid permit fees	178,373	149,453
Increase (decrease) in:		
Accounts payable	1,303,344	(158,624)
Payroll liabilities	8,021	12,653
Accrued expenses and other liabilities	4,306	24,357
Net Cash Provided (Used) by Operating Activities	\$ 7,996,628	\$ 1,614,939
Supplemental Disclosures of Cash Flow Information:		
Cash paid for office lease	\$ (133,700)	(135,500)
Noncash Financing and Investing Activities	\$ -	-

See Accompanying Notes to Financial Statements.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies:

The accounting and reporting policies of Greeley Area Habitat for Humanity, Inc. dba Greeley-Weld Habitat for Humanity (Greeley-Weld Habitat) conform to accounting principles generally accepted in the United States. The following summary of significant accounting policies is presented to assist the reader in evaluating Greeley-Weld Habitat's financial statements.

Organization and Purpose:

Putting faith into action, Greeley-Weld Habitat brings people together to build decent homes and communities. In addition to home construction, Greeley-Weld Habitat fulfills this mission through the following programs:

Family Support is a set of programs and practices designed by Greeley-Weld Habitat that provide homeowners with procedures, support, and skills necessary for purchasing a Habitat for Humanity home and becoming successful long-term homeowners.

ReStore is a retail operation that obtains donated merchandise related to home construction or renovation, which is then sold to the general public. The profit from ReStore operations provides general operating support to the overall organization.

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Greeley-Weld Habitat's management and the board of directors.

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

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Cash and Cash Equivalents:

Greeley-Weld Habitat considers all demand bank deposits and highly-liquid investments with a maturity of three months or less at the date of acquisition to be cash and cash equivalents for purposes of the cash flow statement.

Restricted cash consists of amounts collected from homeowners for property taxes and insurance and amounts collected for homeowner's association dues.

Investments:

Short-term investments consist of a money market mutual fund and certificates of deposits. The mutual fund invests in high-quality, short-term securities that are issued or guaranteed by the U.S. government and is stated at net asset value (NAV). Brokered certificates of deposits are stated at fair value and one certificate of deposit is stated at cost, which is not significantly different than fair value.

Contributions and Contributions Receivable:

Contributions, including unconditional promises to give, are recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. If management determines a receivable may be uncollectible, an allowance will be established to reduce the receivable to the amount expected to be received.

Mortgage Receivables:

Mortgages receivable are noninterest bearing and below-market interest bearing loans received from the sale of homes built by Greeley-Weld Habitat. Mortgage receivables are discounted to reflect a market interest rate and assuming the mortgage payments continue according to the established payment terms. The unamortized discount on mortgages that are paid prior to maturity is reclassified to revenue upon payment in full. The discount rates range from 5% to 8.02%. Mortgages have terms ranging from 20-35 years and are expected to be held to maturity. Mortgages are collateralized by a first deed of trust on each home.

In addition to the first deed of trust filed on homes sold, Greeley-Weld Habitat also files additional liens for the difference between the fair market value of the home and the purchase price and for the portion of the homeowner's down payment funded by the Federal Home Loan Bank. These liens are referred to as "silent liens" for the protection against homeowners who may sell their house for a profit before the mortgage is paid off. Since these silent liens represent a contingent receivable, they are not reported in these financial statements until realized.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Mortgage Receivables - Continued:

Greeley-Weld Habitat determines a loan to be delinquent when payments have not been made according to contractual terms, typically evidenced by nonpayment of a monthly installment by the due date. A mortgage that becomes 90 days delinquent is evaluated for impairment. A mortgage is impaired when it is probable that Greeley-Weld Habitat will be unable to collect all payments due in accordance with the terms of the loan agreement. The discounted balance of an impaired loan is measured against the estimated fair value of the mortgaged property. The amount of impairment, if any, and any subsequent changes are included in the allowance for loan losses.

The allowance for mortgage losses represents an amount which, in management's judgment, will be adequate to absorb probable losses on existing mortgages that may become uncollectible. Management's judgment in determining the adequacy of the allowance is based on evaluation of historical and current conditions that may affect the homeowner's ability to pay and the anticipated fair value of the mortgaged property if foreclosure becomes necessary.

Concentration of Credit Risk:

Financial instruments that potentially subject Greeley-Weld Habitat to significant concentrations of credit risk consist principally of cash and mortgage receivables.

Greeley-Weld Habitat's cash accounts are held at financial institutions at which deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Balances in the bank accounts may, at times, exceed the FDIC insurance coverage. Greeley-Weld Habitat has not experienced any losses related to these balances.

Greeley-Weld Habitat manages credit risk on mortgage receivables through underwriting, affordability provisions and by securing a deed of trust. Mortgage receivables are concentrated within Greeley and Weld County and among low-income families. Economic downturns or other adverse conditions affecting this demographic or region could impact the ability of borrowers to repay their loans. Greeley-Weld Habitat regularly reviews the adequacy of the allowance for loan losses and adjusts it based on current economic conditions and specific borrower circumstances.

Prepaid Permit Fees:

Prepaid permit fees consist of amounts paid to the City of Evans for homes to be built in the Mission Homestead development. Construction on these homes is substantially complete at June 30, 2024.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Inventory and ReStore Donations:

Inventory represents items held for sale at the ReStore. Purchased inventory is stated at the lower of cost (first-in, first-out method) or net realizable value. Donated inventory on hand is recorded at the estimated net realizable value based upon average sales. Restore sales in the Statement of Activities include \$818,622 and \$841,221 of revenue from donated items for the years ended June 30, 2024, and 2023, respectively. Greeley-Weld Habitat received \$784,537 and \$883,381 in ReStore donations for the years ended June 30, 2024, and 2023, respectively of which \$36,070 and \$70,155 is included in inventory at June 30, 2024 and 2023 respectively.

Homes Under Construction:

Homes under construction are recorded at cost using the specific identification method. Cost includes purchased and donated materials and services.

Property and Equipment:

Property and equipment are stated at acquisition cost. Donations of property and equipment are recorded at fair value on the date received. If donors stipulate how long assets must be used, the donations are recorded as restricted revenue. In the absence of such stipulations, donations of property are recorded as unrestricted revenue. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Self-constructed assets are reported as construction in progress until placed in service, at which time depreciation is initiated.

Land Development Costs:

Costs related to constructing the infrastructure for a housing development, including the cost of the undeveloped land and capitalized interest, are reported as land development costs. As individual lots are sold, the proportional cost is expensed as a cost of the related home sale. The land development costs are assessed for impairment on at least an annual basis.

Leases:

Greeley-Weld Habitat determines if an arrangement is or contains a lease at inception. Greeley-Weld Habitat elects an accounting policy by class of underlying asset to treat each separate lease component together with the non-lease components related to it as one combined unit of account. Leases are included in right-of-use (ROU) assets and lease liabilities in the balance sheet. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and the ROU assets also include prepaid or accrued rent, if applicable.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Leases - Continued:

Operating lease expense is recognized on a straight-line basis over the lease term and included in the Rent line item.

An accounting policy election was made to not recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and would be reduced by any lease incentives. To determine the present value of lease payments, an accounting policy election was made to utilize a risk-free borrowing rate.

Revenue Recognition:

Greeley-Weld Habitat recognizes revenue in accordance with FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

Sale of Homes:

Revenue from homes sold to qualified buyers is recognized at the date of closing which is the point in time the Organization has determined to have satisfied the performance obligation.

Sale of Mortgages:

At times, existing mortgages are sold to third party organizations. The revenue for these transactions is recognized at the date of sale which is the point in time the Organization has determined to have satisfied the performance obligation.

ReStore:

The sale of donated and purchased goods to individuals at the ReStore location are recognized at the date of sale as this is the point in time the Organization has determined to satisfy the performance obligation. Customers may return certain items within a specified number of days for an in-store credit. Management has determined that returns are not significant and has not included an estimate in the financial statements. Sales taxes collected are excluded from revenue.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Revenue Recognition - Continued:

Grants:

Grant revenue is received from governmental and private sources. Reimbursable grants are recognized in revenue upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Other grants are recognized in revenue once the conditions of the grant have been met. Unexpended grant funds, if any, are recorded as deferred revenue at the statement of financial position date.

The transaction price is the amount of consideration to which Greeley-Weld Habitat expects to be entitled in exchange for transferring the goods or services to the customer.

Greeley Weld Habitat records a receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. When consideration is received and revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. Greeley-Weld Habitat does not recognize revenue in advance of the right to invoice and therefore has not recorded a contract asset. Beginning balances of receivables as of July 1, 2022 were \$1,741,186. The balance in deferred revenue as of July 1, 2022 was \$5,000.

Practical Expedients: Greeley-Weld Habitat does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, or (ii) contracts for which the amount of revenue recognized is based on the amount to which the organization has the right to invoice the customer for services performed.

Changes in contract assets and liabilities primarily relate to either party's performance under the contracts.

Income Taxes:

No income tax provision is made in these financial statements as Greeley-Weld Habitat qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, pursuant to a group exemption letter received from the Internal Revenue Service. However, income from activities not directly related to Greeley-Weld Habitat's exempt purposes is subject to taxation as unrelated business income.

Tax penalties and interest, if any, would be classified with income tax expense in the financial statements. No tax penalties or interest have been incurred or are recognized in these financial statements. Generally, three tax years remain subject to examination by tax jurisdictions.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Donated Materials and Services:

Materials donated to the Home Construction program are valued at estimated fair value. Goods donated to the ReStore are reflected as revenue at the sale price at the time of sale when there is an objective measurable basis for determining fair value. This accounting reflects the nature of many donations received by the ReStore when significant uncertainties exist about the realizability of the values, thus fair value is not determinable within reasonable limits until the time of sale.

Numerous volunteers donate significant time to program services and special event activities. Donated time that requires specific expertise and specialized skill, and which would have had to otherwise be purchased by the organization, is recorded in the financial statements. The value of other contributed time, while critical to program activities, is not reflected in the financial statements since it does not meet the accounting requirements. Greeley-Weld Habitat did not monetize these nonfinancial assets. Unless otherwise noted, contributed nonfinancial assets did not have donor restrictions.

Functional Allocation of Expenses:

The costs associated with Greeley-Weld Habitat's program and support services have been summarized in the statement of functional expenses. Costs have been allocated among the programs and supporting services benefited.

Use of Estimates:

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

Subsequent Events:

Management has evaluated subsequent events through the date the financial statements were available for issuance, which is the same date as the auditors' report.

Reclassifications:

Certain 2023 amounts may have been reclassified for comparison purposes with the 2024 financial statement presentation. The reclassifications had no effect on the change in net assets.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies - Continued:

Adoption of New Accounting Standards:

In June 2016, the Financial Accounting Standards Board issued guidance (Accounting Standards Codification 326) which changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the organization that are subject to the guidance in ASC 326 are primarily mortgages receivable.

Greeley-Weld Habitat adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

NOTE 2 – Information Regarding Liquidity and Availability:

Greeley-Weld Habitat strives to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

The following table reflects the Organization's financial assets as of June 30, 2024, and 2023, reduced by amounts that are not available to meet general expenditures within one year of the Statement of Financial Position date. Amounts not available to meet general expenditures within one year include net assets with donor restrictions and board designated non-liquid assets, such as donated land and endowment funds.

June 30	2024	2023
Financial Assets at Year End:		
Demand bank account and cash on hand	\$ 7,133,072	\$ 2,053,122
Short-term investments	512,618	2,915,638
Accounts receivable	50,817	44,858
Mortgages receivable, current portion	91,390	118,691
	7,787,897	5,132,309
Net Assets with Donor Restrictions	(2,440,000)	(2,080,000)
Board Designations for Programs and Projects	(1,126,926)	(920,129)
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 4,220,971	\$ 2,132,180

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Mortgage Receivables:

Mortgage receivables at June 30, 2024 and 2023 consisted of the following:

June 30	2024	2023
Mortgage receivables	\$ 2,626,845	\$ 3,051,015
Unamortized discount	(1,247,449)	(1,444,265)
Mortgages receivable, net	1,379,396	1,606,750
Current portion of mortgages receivable	(91,390)	(118,691)
Long-term portion of mortgages receivable	\$1,288,006	\$ 1,488,059

Management regularly reviews its mortgage receivables and monitors the accounts for delinquencies. Effective with the adoption of the current expected credit losses standard, Greeley-Weld Habitat provides an allowance for credit losses based upon an analysis of historical loan loss experience as well as current economic conditions and forecasts and the value of collateral. Management has determined that the fair value of the mortgaged properties exceeds the discounted balances of the mortgages at June 30, 2024 and 2023 and has therefore not established an estimated loss allowance for mortgage receivables. At June 30, 2024 and 2023 there were five and six mortgages, respectively, that were delinquent more than 90 days. These mortgages had face amounts totaling \$267,344 and \$317,786 and discounted balances of \$147,039 and \$190,672, respectively.

Loans Sold to CHFA:

Under mortgage purchase agreements with Colorado Housing and Finance Authority (CHFA), Greeley-Weld Habitat has transferred its interest in certain mortgages receivable of approximately \$3,157,000 through June 30, 2024. During the year ended June 30, 2024, Greeley-Weld Habitat sold three mortgages and received cash proceeds of \$491,550. No loan sales to CHFA occurred during the year ended June 30, 2023.

These mortgages to homeowners require Greeley-Weld Habitat to monitor the compliance of the payment terms as well as other conditions of the loan agreement. CHFA has recourse to Greeley-Weld Habitat for nonperformance by a homeowner with loan covenants which could result in exposure to loss for Greeley-Weld Habitat. At June 30, 2024 and 2023, the balances of these mortgages, which are not reported in the accompanying financial statements, are estimated to be \$1,290,000 and \$856,000, respectively

Loans Sold to Banks:

Greeley-Weld Habitat has entered into agreements to sell its interest in certain mortgages receivable to banks. Through June 30, 2024 Greeley-Weld Habitat has sold mortgages totaling \$1,836,763 receiving proceeds of \$1,656,654. No mortgages were sold to banks during the years ended June 30, 2024 and 2023.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Mortgage Receivables - Continued:

Loans Sold to Banks - Continued:

Greeley-Weld Habitat continues to service these loans on behalf of the bank. At June 30, 2024 and 2023, the outstanding principal balance of the mortgages sold to the banks that are guaranteed and serviced by Greeley-Weld Habitat totaled \$1,056,963 and \$1,336,539, respectively.

In accordance with the sales agreement, should a mortgagor default on the payment of the loan and the default is not cured within 90 days, Greeley-Weld Habitat is required to perform one of the following within 30 days of the Bank's notice: substitute with a comparable performing loan, or repurchase the loan. No liability has been included in the financial statements for this substitution provision because management believes that the fair value of the mortgaged properties exceeds the associated mortgage balance.

NOTE 4 – Operating Lease:

Greeley Weld Habitat has a lease for the ReStore location that began in December 2021. The operating lease cost was \$131,860 and \$138,961 for fiscal year 2024 and 2023, respectively. Discount rate is 2.5%. The lease required initial payments of \$11,000 per month with a \$500 per month annual increase for each of the 5 years covered under this agreement. The lease term expires December 2026.

Future maturities of lease liabilities are as follows:

Year Ending June 30,	Amount
2025	\$ 147,500
2026	153,500
2027	65,000
Total Lease Payments	366,000
Less: Present Value Discount	(11,357)
Total Lease Obligations	\$ 354,643

Greeley-Weld Habitat has an oil and gas lease on land in the Habitat North Subdivision. The lease is a "No Surface Occupancy" arrangement as well as a paid-up lease with consideration received totaling \$10. Under the terms of the lease, Greeley-Weld Habitat is to receive royalties equal to 15% of production, less post-production costs and expenses. During the years ended June 30, 2024 and 2023, Greeley-Weld Habitat received royalties totaling \$18,106 and \$41,927, respectively.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Endowment Fund:

In 2020, Greeley-Weld Habitat entered into an agreement with The Weld Community Foundation to establish a quasi-endowment fund, to be administered by the Foundation.

The fund is held and invested by the Weld Community Foundation for the benefit of Greeley-Weld Habitat. Greeley-Weld Habitat is eligible to receive annual distributions according to the Community Foundation's spending policy. Excess earnings, if any, are reinvested in the fund.

In connection with this fund, Greeley-Weld Habitat granted variance power to the Weld Community Foundation, which allows modification, upon reasonable cause, of any restrictions or conditions on the distribution of funds if, in their sole judgment, the restriction becomes unnecessary or incapable of fulfillment. Since Greeley-Weld Habitat is the beneficiary of the fund, Greeley-Weld Habitat reports its interest in the fund in these financial statements.

Greeley-Weld Habitat, over the long-term, expects the current spending policy to allow its endowment fund to grow. This is consistent with Greeley-Weld Habitat's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return. To achieve that objective, the Weld Community Foundation has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Actual returns in any given year may vary from the expectations.

Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

The following are the changes in endowment net assets for the year ended June 30:

	Board Designated	
	2024	2023
Endowment net assets, beginning of year	\$ 23,155	\$ 21,806
Contributions	50	103
Net realized and unrealized gains (losses)	557	1,183
Interest and dividends	1,703	467
Appropriation of endowment assets for expenditure	--	--
Investment management fees	(430)	(404)
Endowment net assets, end of year	\$ 25,035	\$ 23,155

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – Long-Term Debt:

June 30	2024	2023
Term note payable to Impact Development Fund dated December 2019, including interest at a rate of 1%. After a ten-year deferred payment period, accrued interest and principal totaling \$550,000 is payable in monthly principal payments of \$1,769 and a balloon payment of \$420,830 due November 2037. This loan is unsecured.	\$ 500,000	\$ 500,000
Deferral period interest accrual	20,000	15,000
Promissory note to Habitat for Humanity International dated December 2020, in the amount of \$19,500 with no interest, principal due in monthly payments of \$406, starting November 2023. This loan is unsecured.	14,628	19,500
Promissory note to Habitat Mortgage Solutions, LLC, dated November 2023 including interest at 2.75% totaling \$1,000,000 with monthly interest payments starting December 2023 and total principal due in December 2026. This loan is unsecured.	1,000,000	--
Promissory note to Impact Development Fund dated December 2023, including interest at a rate of 3%. Interest is paid monthly and total principal is due December 2024. The loan is secured by a deed of trust.	2,500,000	--
	4,034,628	534,500
Less: Current portion	2,504,872	--
Total Long-Term Debt	\$ 1,529,756	\$ 534,500

As of June 30, 2024, annual maturities of long-term debt are as follows:

Year Ending June 30	Amount
2025	\$ 2,504,872
2026	4,872
2027	1,004,884
2028	--
2029-2033	56,000
2034-2038	494,000
	\$ 4,064,628

The annual maturities include interest totaling \$50,000 accrued during the deferred payment period, of which \$30,000 has not been incurred as of June 30, 2024.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – Net Assets:

The Greeley-Weld Habitat board of directors has designated a portion of the net assets without donor restrictions balance for the following purposes:

June 30	2024	2023
Operating expense reserve	\$ 213,047	\$ 178,766
ReStore operating reserve	246,044	222,551
Home construction	502,800	513,812
Hope Springs development	140,000	8,820,000
Weld Community Foundation endowment	25,035	23,155
Property acquisition & development	--	5,000
	<u>\$1,126,926</u>	<u>\$9,763,284</u>

As of June 30, 2024 and 2023, net assets totaling \$2,440,000 and \$2,080,000 respectively, have been donor-restricted for building Hope Spring development and single-family residences.

NOTE 8 – Retirement Plan:

Greeley-Weld Habitat maintains a simple IRA plan for all employees. Employees have the option of directing part of their pay into the plan. The employee deferral is matched equally by Greeley-Weld Habitat up to a maximum of 3% of the employee's annual salary. Greeley-Weld Habitat contributions for the years ended June 30, 2024 and 2023 were \$17,568 and \$18,729, respectively.

NOTE 9 – Fair Value Disclosures:

The *Fair Value Measurements and Disclosures* Topic of the Financial Accounting Standards Board Codification establishes a fair value hierarchy that is based on the valuation inputs used in the fair value measurements. Measurements using quoted prices in active markets for identical assets and liabilities fall within Level 1 of the hierarchy, measurements using significant other observable inputs fall within Level 2, and measurements using significant unobservable inputs fall within Level 3.

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment).

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Fair Value Disclosures - Continued:

The following table presents these assets by caption and by level within the valuation hierarchy as of June 30, 2024 and 2023:

Description	Fair Value Measurements at Reporting Date Using			
	Total	Level 1	Level 2	Level 3
<u>June 30, 2024</u>				
Beneficial interest in assets				
held by WCF	\$ 25,035	\$ --	\$ --	\$ 25,035
Certificates of deposit	512,618	--	512,618	--
Impaired mortgages	267,344	--	267,344	--
Development land	19,122,335	--	19,122,335	--
<u>June 30, 2023</u>				
Beneficial interest in assets				
held by WCF	\$ 23,155	\$ --	\$ --	\$ 23,155
Certificates of deposit	1,499,002	--	1,499,002	--
Money market mutual fund	1,416,636	--	1,416,636	--
Impaired mortgages	190,672	--	190,672	--
Development land	10,225,819	--	10,225,819	--

The beneficial interest in assets held by Weld Community Foundation is recorded at the amount provided by the Foundation, which is based on the fair market value of the investments underlying the fund.

The amount for the money market mutual fund is based on independent pricing services, which are believed to reflect the fair market value of underlying U.S. Government securities.

Certificates of deposits are principally valued at the regular trading session closing price on the exchange or market in which such funds are principally traded, on the last business day of each period presented, using the market approach.

Impaired mortgages are evaluated and valued at the time the mortgage is identified as impaired, at the lower of cost or fair value. Fair value is generally measured based on the estimated value of the homes securing these mortgages.

Development land is evaluated based on assessed values determined by the local county assessor or by appraisals, when available. Such values and assessments may be discounted or adjusted based on management's historical knowledge, changes in market conditions and management's expertise. Such discounts and adjustments can be significant and result in a level 2 classification of the inputs used for determining fair value.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 10 –Donated Goods, Services and Property:

Habitat recognizes contributed nonfinancial assets within revenues, in the statement of activities. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Donated goods, services and property recorded as in-kind donations are as follows:

	2024	2023
Donated land	\$ --	\$ 8,904,300
Donated construction materials	83,889	210,475
Donated services requiring specialized skills	48,805	22,059
Restore and other goods used in operations	(34,085)	42,160
Total	\$ 98,609	\$ 9,178,994

Donated Goods Resold in Restores:

Goods donated to the Restore are reflected as revenue at the sale price at the time of sale when there is an objective, measurable basis for determining fair value.

Donated Land:

Donated land consists of contributed land and easements. Contributed property is valued by using appraisals performed by qualified professionals based on the method of valuation most appropriate for expected use.

Donated Construction Materials:

Habitat values the donated product for use in construction at the estimated fair value, which is based upon the manufacturer's suggested retail price for the product.

Volunteer Labor and Services:

Donated Services:

A substantial number of volunteers have made significant contributions of their time in furtherance of Habitat's program and supporting services. The value of this contributed time is not reflected in the financial statements since it does not require a specialized skill. However, certain other contributed services that require specialized skills, when provided by individuals possessing those skills and otherwise would have needed to be purchased if not provided by donation, are recognized as revenue and expense.

Goods Used in Operations:

Goods used in operations are primarily composed of office supplies and other equipment valued using estimated market value of the corresponding items. Amounts included in this category are used in both program and general and administrative functions.

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – Commitments, and Contingencies:

Since 1990, the City of Greeley Urban Renewal Authority (GURA) has provided funding for numerous Greeley-Weld Habitat home construction projects and developments. Some of the funding includes an affordability provision that requires Greeley-Weld Habitat to monitor subsequent sales of the homes for a period of roughly ten years. Subsequent sales that do not comply with the affordability provision may require Greeley-Weld Habitat to either exercise its first-right-of-refusal option to purchase the home, or to repay the related funding provided by GURA.

Greeley-Weld Habitat partnered with the Impact Development Fund (IDF) to establish a Habitat for Humanity Liquidity Mortgage Loan Pool. If a loan originated by IDF were to become more than 60 days delinquent, Greeley-Weld Habitat has 60 days to repurchase the delinquent mortgage by paying off the associated loan in full. Otherwise, IDF has the right to begin foreclosure.

Greeley-Weld Habitat has entered into agreements with a contractor for the public improvements and soccer pitch for the Hope Springs project. Infrastructure costs include site work, earthwork, sewer system, water system, storm system and road construction. Total contract amounts are \$8,688,394, of which \$7,865,279 has been completed through the year ended June 30, 2024.

NOTE 12 – Related Party and Affiliate Transactions:

Greeley-Weld Habitat remits a portion of its contributions to Habitat for Humanity International. For the years ended June 30, 2024, and 2023, \$21,141 and \$9,900 respectively were contributed. The organization was awarded grants directly from Habitat for Humanity International and has recognized grant revenue of \$8,500 and \$10,000 for the years ended June 30, 2024, and 2023, respectively.

The organization is a sub-recipient of certain government grants received directly by Habitat for Humanity of Colorado, an affiliated organization. During the years ended June 30, 2024 and 2023, Greeley-Weld recognized grant revenue of \$330,000 and \$330,000, respectively, and remitted grant fees of \$16,000 and \$16,500 respectively, in connection with these grant funds.

NOTE 13 – Subsequent Event:

Greeley-Weld Habitat established GWH CLT, LLC, a community land trust on October 21, 2024, to provide affordable housing and preserve the opportunity for individuals in the future. Greeley Weld Habitat will place land into the trust in perpetuity and then lease it back to Habitat homeowners under long-term land leases.

SUPPLEMENTARY INFORMATION

GREELEY AREA HABITAT FOR HUMANITY, INC.
dba GREELEY-WELD HABITAT FOR HUMANITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Agency/Program Grant Title	Assistance Listing Number	Pass-Through Identification Number	Expenditures
<u>Department of Housing and Urban Development</u>			
Economic Development Initiative Community Project Funding	14.251	B-23-CP-CO-0277	\$ 2,256,379
<u>Department of Local Affairs</u>			
Pass-Through Grantor - City of Greeley: Coronavirus State and Local Fiscal Recovery Funds	21.027	CTGG1 NLAA 202300002064	990,000
Total Federal Assistance			\$ 3,246,379

Notes to Schedule:

1. This schedule includes the federal awards activity of Greeley-Weld Habitat for Humanity and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
2. Greeley-Weld Habitat for Humanity generally does utilize the de-minimis method for indirect costs.
3. Greeley-Weld Habitat for Humanity has no significant sub-recipients.



A Professional Corporation of
Certified Public Accountants

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

Board of Directors
Greeley-Weld Habitat for Humanity
Greeley, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Greeley-Weld Habitat for Humanity (Habitat) which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 14, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Habitat's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Habitat's internal control. Accordingly, we do not express an opinion on the effectiveness of Habitat's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Habitat's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2024-01.

Habitat's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Habitat's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Habitat's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anderson & Whitney, P.C.

February 14, 2025



A Professional Corporation of
Certified Public Accountants

Independent Auditors' Report on Compliance for Each Major Federal
Program and Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Greeley-Weld Habitat for Humanity
Greeley, Colorado

Report on Compliance for Major Federal Programs

Opinion on Each Major Federal Program

We have audited Greeley-Weld Habitat for Humanity's (Habitat) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024. Habitat's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Greeley-Weld Habitat for Humanity complied, in all material respects, with the types of compliance requirements referred to above that are applicable to its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Greeley-Weld Habitat for Humanity and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Greeley-Weld Habitat for Humanity's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Greeley-Weld Habitat for Humanity's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Greeley-Weld Habitat for Humanity's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Greeley-Weld Habitat for Humanity's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Greeley-Weld Habitat for Humanity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Greeley-Weld Habitat for Humanity's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Greeley-Weld Habitat for Humanity's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-01. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Habitat's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Habitat's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Anderson & Whitney, P.C.

February 14, 2025

GREELEY-WELD HABITAT FOR HUMANITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

SUMMARY OF AUDITORS' RESULTS

- | | |
|--|--|
| ➤ Type of report issued on financial statements | Unmodified |
| ➤ Internal control over financial reporting: | |
| Material weaknesses identified | No |
| Significant deficiencies identified | None reported |
| ➤ Noncompliance material to the financial statements noted | No |
| ➤ Internal control over federal awards: | |
| Material weaknesses identified | No |
| Significant deficiencies identified | None reported |
| ➤ Type of report issued on major programs | Unmodified |
| | None under 2 CFR 200.516(a) see other below |
| ➤ Audit findings disclosed | |
| ➤ Major programs | 14.251 Community Project Funding
21.027 Coronavirus State and Local Fiscal Recovery Funds |
| ➤ Dollar threshold between Type A and Type B programs | \$750,000 |
| ➤ Low-risk auditee | No |

FINDINGS RELATED TO FINANCIAL STATEMENTS

- None Reported

SCHEDULE OF PRIOR FINDINGS

- None Reported

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

➤ **Finding 2024-01:**

ALN 14.251 Community Project Funding

ALN 21.027 Coronavirus State and Local Fiscal

Pass-Through Agency: 14.251: None; 21.027: City of Greeley

Criteria: Suspension and Debarment. Non-federal entities are prohibited from contracting with parties who are suspended or debarred from federal awards. For certain covered transactions over \$25,000, the program must verify that an entity is not suspended or debarred through the System for Award Management (SAM), alternative certification or contract language.

Condition: One vendor paid \$2,256,379 in program 14.251 and \$990,000 in program 21.027 for a total of \$3,246,379 was verified using the System for Award Management (SAM) but support was not retained by management.

Questioned Costs: There are no questioned costs as there may be no debarred vendors.

Context: Vendors on this project were paid enough federal funds to require the program to verify that the provider is not suspended or debarred.

Effect: Amounts may be paid to parties not eligible to receive federal funding.

Cause: This purchase was for contract services and Habitat thought that the request for proposal and bid documentation included this language and that the SAM system was checked.

Recommendation: We recommend management check the System for Award Management (SAM) or include contract language to ensure federal funds are not paid to suspended or debarred parties.

Management's Response: Agree

Contact Person: Cheri Witt-Brown, CEO



Corrective Action Planned: Habitat will continue to verify that vendors used for purchases of goods or services have not been suspended or debarred by checking the System for Award Management (SAM) and make sure to include this information in the contract file. Habitat did check the System for Award Management (SAM) in February 2025 noting that the vendor at that time had not been suspended or debarred.