Habitat for Humanity®

NW Metro Atlanta

2022 Annual Report

Contents

Letter from our CEO & Chairman of the Board

We completed our 36th year of operation as a Habitat affiliate and are very proud of the service that we provided to the community and our financial position for the future. With rising housing prices and rents at an all-time high, the need for affordable housing in Cobb, Douglas and Paulding counties is greater than ever. In January of last year, we received more than 250 applicants for our homeownership program.

With the incredible support from our sponsors and individual donors, the dedicated and skilled construction "Ghosts", and an army of more than 1,300 volunteers, the Northwest Metro Atlanta affiliate constructed six new houses for deserving families.

We could not do what we do without our dedicated coalitions. The build season kicked off with the Cobb County High School Coalition building their 25th home, with support by the Lutheran Coalition. The Cobb Interfaith Coalition built their 22nd home in the summer, and the Catholic Coalition wrapped up our build season in November.

We built our second two-story home for a family of five thanks to returning full house sponsor, Berkadia. We saw two families honor their loved ones through building homes. We welcomed back the Winn 3 Charitable Fund, which honors Frank M. and Mary Peace Winn; and the Hughey Family built a home in memory of Bob and Jane Hughey.

Also, in November, we held a yellow ribbon ceremony to celebrate the completion of the Veterans Place neighborhood in Douglasville. We honored all the U.S. military veteran residents in the neighborhood with a plaque installation.

In addition, through our partnerships with The Home Depot Foundation, Cobb EMC, and the Atlanta Regional Commission, we performed 15 critical home repairs for senior citizens and veterans in our area. We also were able to effectively utilize our resources and volunteers to assist another 26 homeowners in the tri-county area with needed repairs and upgrades to their homes, including handicap access ramps and other items health related improvements.

In April, we mourned the loss of our affiliate's trailblazing founder, Marietta native Chrys Street. In May, we acquired the Habitat ReStore and added six members of their staff to our team. In June, our annual Harmonies for Homes concert raised $108,000 to support our mission. We are grateful to Bercher Homes and all the additional generous sponsors who made this event a success once again.

And we continued to advocate for affordable housing in local and state government. I testified at the Georgia House Study Committee on Regulation, Affordability, and Access to Housing, alongside Ryan Willoughby, President & CEO of Habitat for Humanity of Georgia. One of our local partner schools, Walton High, held a virtual Town Hall and spoke about the housing crisis with guests from the Cobb County Board of Commissioners and Georgia legislature.

Thank you to our dedicated staff, generous donors and sponsors, and selfless volunteers who rose to keep our affiliate moving forward, improving lives through housing.

Jessica Gill
Jessica Gill
CEO

Richard T. Gieryn
Rick Gieryn
Chairman (outgoing)

Homeownership

- 6 homes built
- 22 individuals housed
- 14 children housed

average home value **$236,000**

average household income **$49,045**

average mortgage payment **$979**

Building Community

In partnership with the City of Austell and Sweetwater Mission, a Halloween themed block party brought residents new and old together at Pine Street Park, a recently updated amenity in “Babyland,” the 6-block Austell neighborhood which we’ve helped to revitalize with 8 new construction homes from 2020 to 2022.

AmeriCorps Community Impact Coordinator, Nicole Morel organized this event, which included Austell Police and Fire Departments and a local Girl Scouts troop.

AmeriCorps Volunteer Services Coordinator, Kalia Blake, implemented a youth outreach event LEGO competition with six young participants building their own creative LEGO homes for World Habitat Day. The competition was judged by Habitat volunteers along with Cobb County Superior Court Judge Kellie S. Hill.

To mark the completion of our all Veterans Habitat neighborhood in Douglasville, we installed a plaque alongside Military Way and held a Veterans Day ceremony.

Home Repairs

- 15 homes repaired
- 30 total individuals served
- 7 U.S. Veteran homes

$11,303
average repair cost

Sponsored by The Home Depot Foundation, Atlanta Regional Commission, Cobb EMC, and Frances Hollis Brain Foundation

Harmonies for Homes

Our signature event and benefit concert, Harmonies for Homes, was held June 27, 2022, once again at Atlanta Country Club. Featuring popular musicians Edwin McCain, Marc Broussard, and Emerson Hart playing an acoustic set in an intimate setting, the 2022 event raised $108,000 for our mission.

To date, this event has raised more than $234,000 toward Habitat's mission of building decent, affordable homes for local families in need.

Thank you to Presenting Sponsor, **Bercher Homes**, for returning to sponsor the concert each year and bringing your staff to enjoy an evening of music for a good cause with us.

Concert Sponsors

Young Contracting Foundation
Gieryn Family Foundation
Miller Mechanical Contractors and Engineers, LLC
S.A. White Oil Company, Inc.
Salon Studios Beauty Mall
Alayne & George Sertl
Ann & Sheldon Taylor
Natalie & Tom Epperson
StadiumSpot
JanPro
Innovative Construction
Brotherhood of Occidental Builders
Allstate: The Wells Agency
Re/Max Around Atlanta
Mauldin & Jenkins CPAs & Advisors
Sheri & Tain Kell
Ronan P. Doherty
Allen Southern Properties, Ltd.
Lotus Vinyl
Kaye & Bion Jones

Habitat for Humanity ReStore

The Habitat for Humanity ReStore accepts donations of new and gently used items that we sell to treasure hunters and bargain shoppers alike, raising money to support our vision of a world where everyone has a decent place to live.

Businesses can partner with to reduce the costs of excess inventory - overstock, obsolete inventory, manufacturer overruns, slight seconds, customer misorders, floor models, discontinued product lines.

By supporting the ReStore through shopping, donating and volunteering, you are empowering people as they build or improve the places they call home. Helping your community has never been so easy!

In May 2022, we acquired the Habitat for Humanity ReStore in Smyrna and added the 6 members of their staff to our team.

Prior to this acquisition, the ReStore was operated by Habitat for Humanity International which contributed 1/3 of the net income to our affiliate. In 2021, that amounted to $97,796.

The ReStore generated a net income of **$213,076** in the 8 months we operated the store, and now, 100% of those funds support our mission!

Advocacy

An adverse zoning decision in Cobb County prevented us from building 12 additional homes in Mableton in 2022, so we went to work to educate local and state officials about the challenges involved in increasing the supply of affordable single family homes. In September, our CEO testified to the Georgia House Study Committee on Regulation, Affordability, and Access to Housing, and our story was documented in the Georgia General Assembly's House Resolution 1149 Final Report in the 2021-2022 Regular Session.

Forward-thinking local leaders listened, as demonstrated by the remarkable new partnership developed with the City of Marietta, which donated $500,000 and 6 parcels of land to build homes for their employees.

Volunteers

1,361 volunteers

16,560 hours

Mike Christian
Lifetime Achievement Award

Awarded to an individual who has spent years with Habitat contributing time and energy to builds, activities in the background, and anything else to make our Habitat the best it can be.

Bion Jones
Roy Brumley Golden Hammer Award

Awarded to house leader who has made a significant commitment of time and energy to improve the affiliate's construction efforts.

Crystal Kidd
Joe and Connie Loviska Golden Cat's Paw Award

Awarded to a crew leader who has made a notable commitment to the improvement of the affiliate's building activity.

Our Team

Board of Directors

Dale Bercher
2023 Incoming Chair
Bercher Homes

Bakari Brooks
Vice Chair
Brooks Built Homes & Brooks CM Services, LLC

Yvonne Byars
MUST Ministries

Jessica Gill
Non-Voting Member
CEO and Executive Director

David Massey
Fortune Johnson

Donna Middlebrooks
Shaw Legacy Group

André Sims
Re/max Greater Atlanta-Cobb

Venitia Smith
Genuine Parts Company

Ann Taylor
The Coca Cola Company (retired)

Outgoing Members

Christopher Bailey
Nichols, Cauley & Associates, LLC

Leslie Choo
Lake Forrest Builders

Rick Gieryn
2022 Outgoing Chair
Axis Capital (retired)

Meredith H. Houseworth
KeyBank Healthcare Group

Staff

Felicia Alingu
Director of Community Impact

Kalia Blake
Community Engagement Coordinator

Victoria Catlin
Office Manager

James Currie, Jr.
ReStore Assistant Manager

Maryann Dalzell
ReStore Floor Associate

Zxia Fort
ReStore Cashier

Jessica Gill
CEO and Executive Director

Henry Hene
Senior Vice President of Asset Management & Acquisitions

Gary Kennedy
Construction Associate

Jan Magill
Mortgage Servicer

James Maner
Repair and ReStore Procurement Director

Terri Miller
Chief Operating Officer

Christine Morris
Chief Development Officer

Brett Ploeger
ReStore Donations & Warehouse Coordinator

Anita Ramdeo
Controller

Charlene Rogers
ReStore Manager

Brett Thein
Vice President of Construction

Malik Tindell
ReStore Driver

Bonnie Willis
Purchasing and Estimating Manager

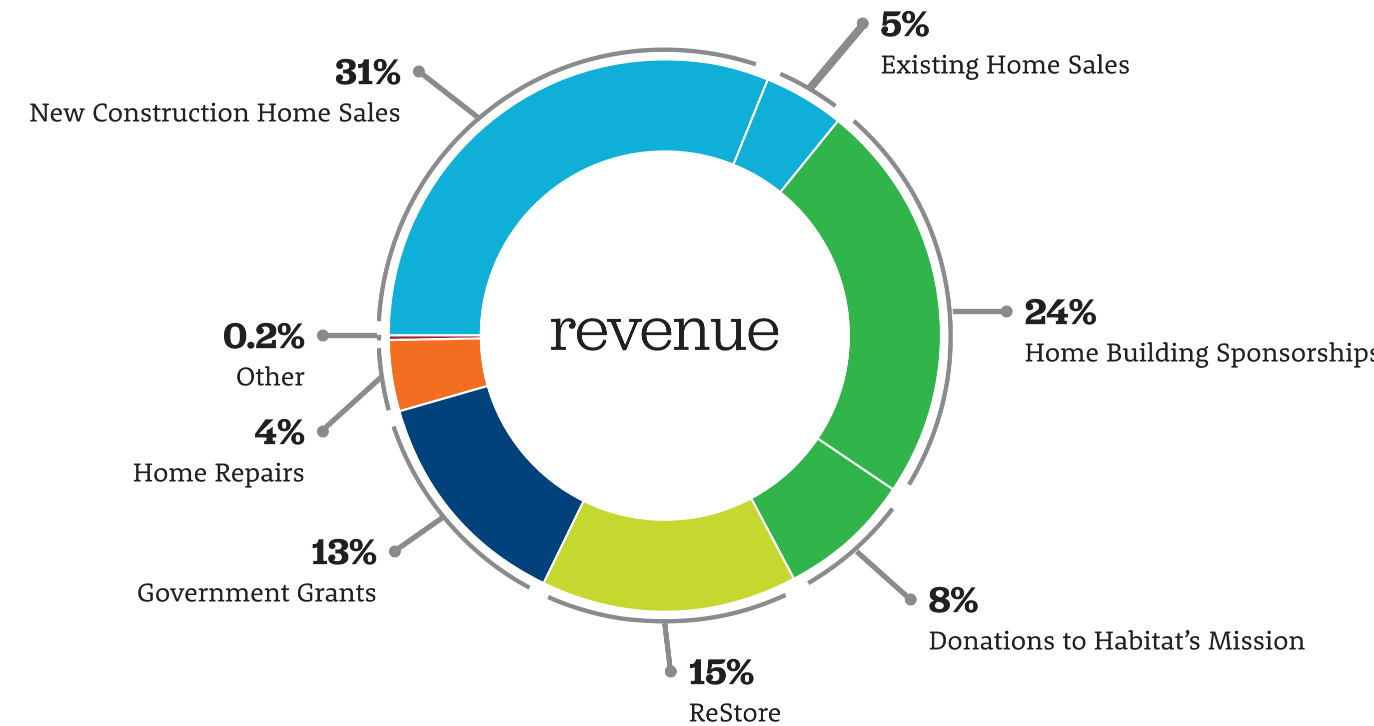
Financial Information

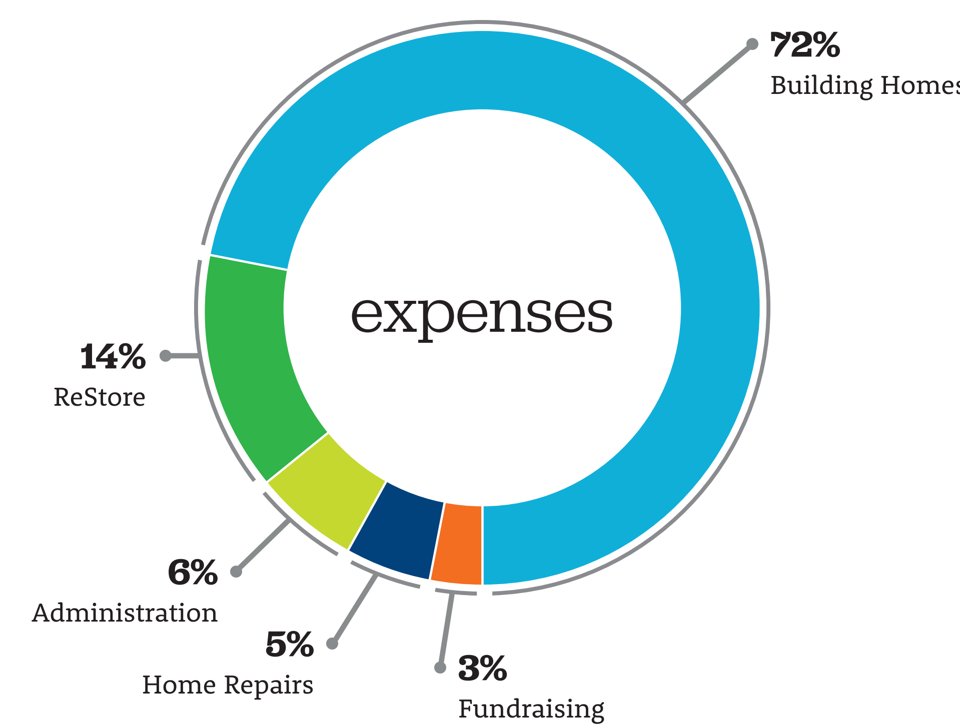
Our complete Financial Statements with Independent Auditors' Report are available at the end of this report.

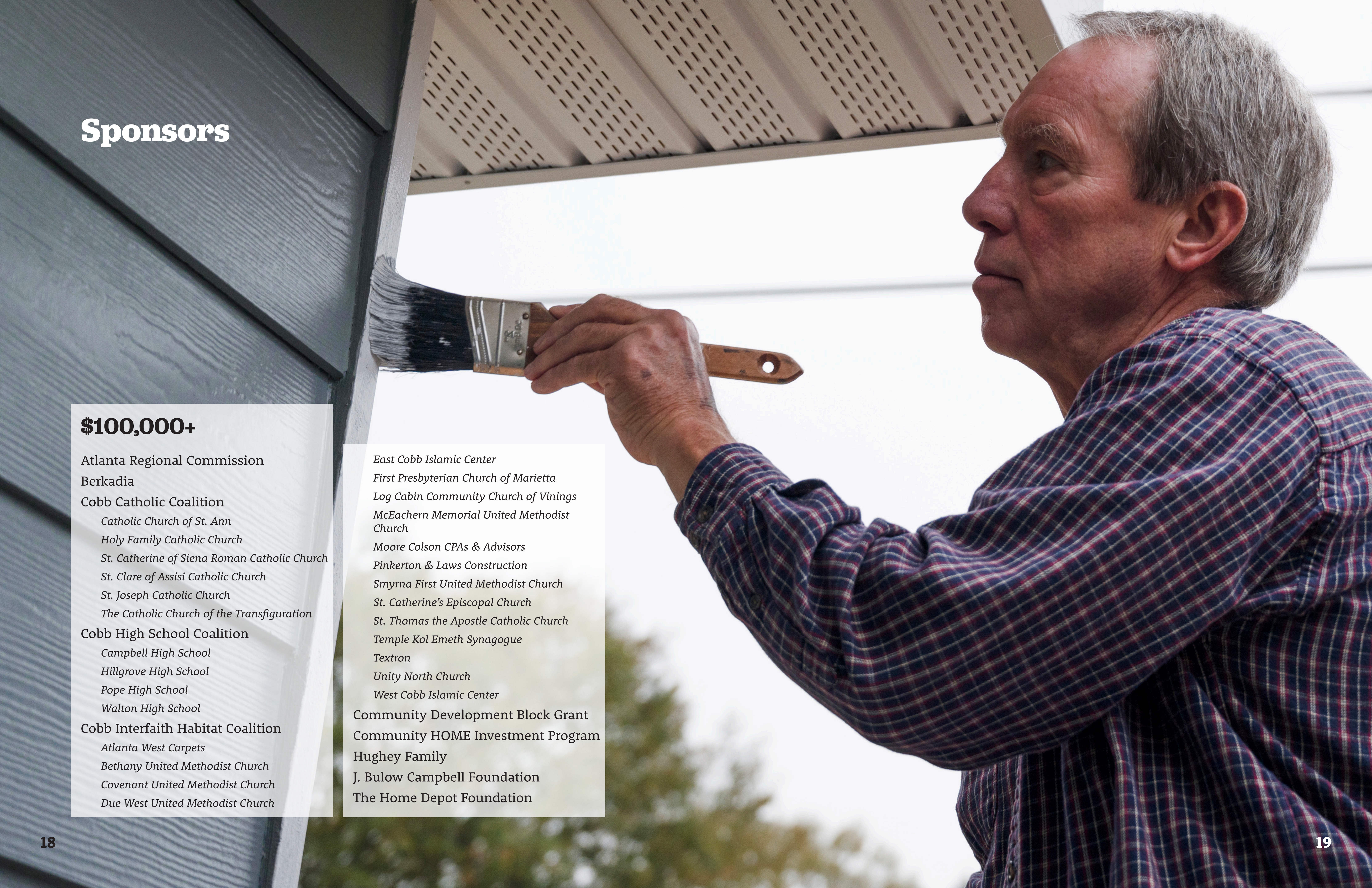
Revenue	2022	2021
Home sales income	$1,625,619	$1,615,226
Change in discount on non-interest bearing loans[1]	$47,214	($164,937)
Contributions & grants	$1,964,492	$2,031,358
Gifts in kind	$97,130	$46,302
ReStore operations	$674,516	$0
Investments	($2,372)	$6,861
Other support and revenue	$129,625	$263,652
Forgiveness of PPP Loans	$0	$251,079
Total	**$4,536,224**	**$4,049,541**

Expenses	2022	2021
Program services	$3,137,106	$3,056,946
Management and general	$220,775	$243,297
Fundraising	$105,961	$103,937
Total	**$3,465,864**	**$3,406,201**

1. The below-market rate of a typical Habitat mortgage is an economic cost to the affiliate and benefit to the homeowner that must be recognized in the accounting records according to Generally Acceptable Accounting Principles (GAAP). For example, $100,000 collected with no interest in a stream of payments over 20 to 30 years is not worth the same amount as $100,000 collected this year or $100,000 collected with interest over 20 to 30 years. The discount is the difference between the face value of the mortgage and the current value of the mortgage, calculated using the term of the mortgage and the appropriate rate. HFHI sets a rate annually.







Sponsors

$100,000+

Atlanta Regional Commission

Berkadia

Cobb Catholic Coalition

- *Catholic Church of St. Ann*
- *Holy Family Catholic Church*
- *St. Catherine of Siena Roman Catholic Church*
- *St. Clare of Assisi Catholic Church*
- *St. Joseph Catholic Church*
- *The Catholic Church of the Transfiguration*

Cobb High School Coalition

- *Campbell High School*
- *Hillgrove High School*
- *Pope High School*
- *Walton High School*

Cobb Interfaith Habitat Coalition

- *Atlanta West Carpets*
- *Bethany United Methodist Church*
- *Covenant United Methodist Church*
- *Due West United Methodist Church*
- *East Cobb Islamic Center*
- *First Presbyterian Church of Marietta*
- *Log Cabin Community Church of Vinings*
- *McEachern Memorial United Methodist Church*
- *Moore Colson CPAs & Advisors*
- *Pinkerton & Laws Construction*
- *Smyrna First United Methodist Church*
- *St. Catherine's Episcopal Church*
- *St. Thomas the Apostle Catholic Church*
- *Temple Kol Emeth Synagogue*
- *Textron*
- *Unity North Church*
- *West Cobb Islamic Center*

Community Development Block Grant

Community HOME Investment Program

Hughey Family

J. Bulow Campbell Foundation

The Home Depot Foundation

$10,000+

Alexander High School
Assurant
AXIS Capital
Bercher Homes
Betty Cadman
Cobb Community Foundation
Cobb EMC Community Foundation
Church at Chapel Hill
Citigroup
Gieryn Family Foundation
Lockheed Martin Aeronautics Company
MASCO
Mount Bethel Church
Nissan
Publix Super Markets Charities
Reliance Worldwide Corporation
The Lutheran Coalition for Habitat
United Community Bank Foundation
Winn 3 Charitable Fund
Young Contracting Foundation

$5,000+

Cobb Association of Realtors
Dale and Becky Bercher
Don and Linda Simons
Frances Hollis Brain Foundation
Henry and Candy Hene
Jerry and London Andes
Miller Mechanical Contractors & Engineers
RAM Partners
S.A. White Oil Company

$2,500+

Alayne and George Sertl
Ann and Sheldon Taylor
Avenue East Cobb
Carrier
David Massey
Herc Rentals
Knights of Columbus Council 12580
Leadership Cobb Alumni Association
Modern Woodmen of America
Robert Long Construction, LLC
Rotary Club of North Cobb
Salon Studios Beauty Mall
StadiumSpot
Tom and Natalie Epperson

in-kind donors

Cree
Herc Rentals
Levolor
MNI Direct
North American Properties
PlyGem
Ring
Schneider Electric
Whirlpool
Yale

Contributors

Organizations

Allen Southern Properties, LTD
Alvarez & Marsal
Ameriprise Financial
Brooks Built Homes, LLC
Charities Aid Foundation Of America
Conquest Solutions
Frey Land Planning & Design
Grounded Solutions Network
Holy Innocents' Episcopal School
Innovative Construction
Jan-Pro of Atlanta
Knights of Columbus Council 10821
Lake Forest Builders, Inc.
Lotus Vinyl
Mauldin & Jenkins
Network For Good
North Cobb Rotary Club
One Street Residential
Patty & Doug Reid Family Foundation Inc.
Sims & Sims, Inc.
TASA
The Anne Hudgins Shakespeare Class
The Estate of Sandra Hall Cummings
The Wells Agency - Allstate
Thomson Reuters
TPI Integrated Services, Inc
United Way Worldwide
Woodmen Of The World Lodge #1245

Individuals

Felicia Alingu
Matthew Allen
Hunter Allen, Jr.
Lorenzo Alvarez
Jody Ard
Audrey Arnold
Michael Arundel
Christopher Bailey
Rosemary Beacham
Dale Bercher
David & Vanessa Birdwell
Sherry Blackmon
Kalia Blake
Mike & Nicole Bonine*
Bakari Brooks
Yvonne Byars
Victoria Catlin
Chris Catone
Leslie Choo
C.D. Collis*
James Currie, Jr.
Maryann Dalzell
Cantey Davis
Vicki Davis
Lucy Denzin
Ronan Doherty
Megan Doyle
Helen DuBiner
Nathan Duce
Merrilyn Eastham
Sam Elia
Stephanie Ellis
Robert Faller
Randall Farmer
Joanne Flournoy
Douglas Folk
Zxia Fort
Adam Freeman
William Gantner
Melinda Garrett
Rick Gieryn
Jessica Gill
Amy Glahn
Sonya Grant
Rick Greene
Colleen Hagan
Joe Hatchell
Elizabeth Hendrickson
Henry Hene
Norene Herren*
Jeremy Herring
Hobson Family Fund
William Hollett
Meredith Houseworth
Meredith H. Houseworth
Patricia Iaffaldano
Don Janke
Elizabeth Johnston
Bion Jones
Richard Jordan
Richard Keeton
Tain & Sheri Kell
Mary Kempffer
Gary Kennedy
Kenneth Kincaid
Erika King
Lorraine Krouskos
Steven Kushnick
Rick Kyker
Chet Ladd
Mary Lauritano
Robert F. Leech
Caroline Legister
George & Donna MacConnell
Jan Magill
Rick Maher
James Maner
Russell Marshall
Thomas Marshall
David V. Martin
Debbie Martin
David Massey
Tania May*
Steve McCullers
Michelle McDonald*
Robert McGoldrick*
Donna Middlebrooks
Terri Miller
Stephen Mizroch
Dawn Moore
Caleb Morrett*
Christine Morris
Maria Murphy
Thomas Neale
Charles Null
Mike O'Brien
Gail Smith O'Brien
Charles Ogburn
Rick Owings
James Pfaffenberger
Valente Pieretti
Brett Ploeger
Laura Pope
Susan Pritchard
Forrest Pusey
Mark Rackin
Rob Rakusin
Anita Ramdeo
Linda Reddington
Steven Regitz
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Patti Schoettler
Marshall Schwartz
Sunny Shaw
William Sherman
Jay Shields
Bill & Joann Short
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André Sims
Janice Smith
Venitia Smith
Don Snyder
Heidi Spingler
Carol Stelling
Jon Sterling
Joe Stubbs
Angela Bland Sutherland
Don Sutton
James Sykes
Sara Taylor
Ann Taylor
Bart Thein
Brett Thein
Malik Tindell
Jill Toth
Vicki Troutman
Mary Tucker
Gary Turner
Daniel & Charlotte Vura
Judith Waldrip
Shannon Walstad
Nancy Waskiewicz
Robert Watts
Steve & Patty Whiten
Bonnie Willis
Mark Winokur
Jeff Wolfe
Shanikko Young

*Habitat Dream Builders - an exceptional group of dedicated donors who donate on a monthly basis

Habitat for Humanity®
NW Metro Atlanta

Location

Office: 1625 Spring Road SE, Smyrna, GA 30080

ReStore: 3315 South Cobb Drive, Suite 150 Smyrna, GA 30080

Contact Information

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Social Media

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Instagram: @HabitatNWMA

linkedin.com/company/HabitatNWMA

HABITAT FOR HUMANITY
OF NORTHWEST METRO ATLANTA, INC.

FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

with
INDEPENDENT AUDITORS' REPORT

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SMITH+HOWARD PC

INDEPENDENT AUDITORS' REPORT

Board of Directors of
Habitat for Humanity of Northwest Metro Atlanta, Inc.

Opinion

We have audited the accompanying financial statements of Habitat for Humanity of Northwest Metro Atlanta, Inc (the "Organization"), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 Organization as of December 31, 2022 and 2021, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP; this includes 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 for one year after the date of this report.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

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271 17th Street, NW | Suite 1600 | Atlanta, GA 30363

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material 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 Organization'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 Organization'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.

Smith and Howard

June 16, 2023

HABITAT FOR HUMANITY OF NORTHWEST METRO ATLANTA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS

	2022	2021
Cash	$ 2,748,570	$ 1,271,130
Investments	72,095	32,504
Grants and sponsorships receivable	83,503	361,211
Non-interest bearing mortgage loans receivable, net of discount of $6,127,541 and $6,174,755 at December 31, 2022 and 2021, respectively	7,140,379	7,355,227
Homeowners' escrow receivable	202,517	104,170
Inventory	730,298	582,302
Property and equipment, net	306,971	330,468
Right-of-use asset - operating lease	560,856	-
Other assets	1,134	69,939
	$ 11,846,323	$ 10,106,951

LIABILITIES AND NET ASSETS

	2022	2021
Liabilities		
Accounts payable and accrued expenses	$ 131,570	$ 51,815
Deferred revenue	131,296	5,652
Due to Community Development Block Grant	210,654	191,218
Note payable, net of unamortized debt issuance costs	986,539	1,111,587
Operating lease obligation	567,203	-
Total Liabilities	2,027,262	1,360,272
Net Assets		
Without donor restrictions	8,921,879	8,594,176
With donor restrictions	897,182	152,503
Total Net Assets	9,819,061	8,746,679
	$ 11,846,323	$ 10,106,951

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

HABITAT FOR HUMANITY OF NORTHWEST METRO ATLANTA, INC.
STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Home sales income	$ 1,625,619	$ -	$ 1,625,619	$ 1,615,226	$ -	$ 1,615,226
Change in discounts on non-interest bearing mortgage loans	47,214	-	47,214	(164,937)	-	(164,937)
Contributions and grants	-	1,964,492	1,964,492	72,407	1,958,951	2,031,358
Gifts in-kind	27,130	70,000	97,130	46,302	-	46,302
ReStore retail store operations, net of costs of goods sold of $599,571 for 2022	674,516	-	674,516	-	-	-
Investment income (loss), net	(2,372)	-	(2,372)	6,861	-	6,861
Other support and revenue, net	129,625	-	129,625	263,652	-	263,652
Forgiveness of Paycheck Protection Loans	-	-	-	251,079	-	251,079
Net assets released from restrictions	1,289,813	(1,289,813)	-	1,934,928	(1,934,928)	-
Total Support and Revenue	3,791,545	744,679	4,536,224	4,025,518	24,023	4,049,541
Expenses						
Program services	3,137,106	-	3,137,106	3,056,946	-	3,056,946
Management and general	220,775	-	220,775	243,297	-	243,297
Fundraising	105,961	-	105,961	103,937	-	103,937
Total Expenses	3,463,842	-	3,463,842	3,404,180	-	3,404,180
Change in Net Assets	327,703	744,679	1,072,382	621,338	24,023	645,361
Net Assets, Beginning of Year	8,594,176	152,503	8,746,679	7,972,838	128,480	8,101,318
Net Assets, End of Year	$ 8,921,879	$ 897,182	$ 9,819,061	$ 8,594,176	$ 152,503	$ 8,746,679

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

HABITAT FOR HUMANITY OF NORTHWEST METRO ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022				2021			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries and wages	$ 960,432	$ 152,567	$ 72,708	$ 1,185,707	$ 642,330	$ 170,327	$ 69,357	$ 882,014
Employee benefits	123,119	12,488	10,218	145,825	82,082	16,416	10,944	109,442
Payroll taxes	64,419	6,802	5,566	76,787	43,039	8,608	5,738	57,385
	1,147,970	171,857	88,492	1,408,319	767,451	195,351	86,039	1,048,841
Cost of homes sold	1,460,744	-	-	1,460,744	1,993,386	-	-	1,993,386
Cost of goods sold - ReStore	599,571	-	-	599,571	-	-	-	-
Occupancy and lease expenses	116,322	-	-	116,322	-	-	-	-
Other	81,983	2,172	605	84,760	41,051	532	227	41,810
Property and other insurance	50,305	5,373	4,396	60,074	31,972	6,123	4,082	42,177
Fundraising events and marketing	48,295	83	2,010	50,388	42,591	-	1,138	43,729
Interest	34,564	4,753	3,889	43,206	36,170	7,222	4,815	48,207
Maintenance and repairs	36,519	459	337	37,315	18,096	2,236	1,492	21,824
Depreciation and amortization	26,171	3,589	2,937	32,697	23,312	4,662	3,108	31,082
Telephone and utilities	28,161	877	586	29,624	27,777	1,126	803	29,706
Dues and subscriptions	27,359	983	1,200	29,542	6,087	1,681	1,085	8,853
Professional Fees	1,425	27,915	-	29,340	-	22,000	-	22,000
Office supplies and expenses	23,003	1,437	1,176	25,616	7,590	1,266	844	9,700
Home for Heroes	25,000	-	-	25,000	40,086	-	-	40,086
Travel and automotive	17,882	1,277	333	19,492	6,942	1,098	304	8,344
Affiliate tithe	7,000	-	-	7,000	6,000	-	-	6,000
Property and other taxes	2,416	-	-	2,416	1,220	-	-	1,220
Equipment and tools	1,987	-	-	1,987	7,215	-	-	7,215
Total expenses	3,736,677	220,775	105,961	4,063,413	3,056,946	243,297	103,937	3,404,180
Less expense included within revenues on the statement of activities:								
Cost of goods sold - ReStore	(599,571)	-	-	(599,571)	-	-	-	-
Total expenses included on the expense section on the statement of activities	$ 3,137,106	$ 220,775	$ 105,961	$ 3,463,842	$ 3,056,946	$ 243,297	$ 103,937	$ 3,404,180

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

HABITAT FOR HUMANITY OF NORTHWEST METRO ATLANTA, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash Flows From Operating Activities:		
Change in Net Assets	$ 1,072,382	$ 645,361
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	30,616	29,001
Amortization of loan issuance costs	2,081	2,081
Change in discounts on non-interest bearing mortgage loans	(47,214)	164,937
Unrealized (gain) loss on investments	2,372	(6,861)
Lease expense	66,722	-
Payments of operating lease obligation	(60,375)	-
Donated ReStore inventory	(74,946)	
Donated land, materials, and building supplies inventory	(97,130)	(46,301)
Loss on sale of certain land inventory	114,671	-
Forgiveness of 2020 Paycheck Protection Program Loan	-	(110,000)
Changes in assets and liabilities:		
Grants and sponsorships receivable	277,708	(319,986)
Non-interest bearing mortgage loans receivable	262,062	(295,035)
Homeowners' escrow receivable	(98,347)	(16,569)
Inventories	(90,591)	582,163
Other assets	68,805	8,503
Accounts payable and accrued expenses	79,755	(83,943)
Deferred revenues	125,644	(144,348)
Due to Community Development Block Grant	19,436	(9,476)
Total adjustments	581,269	(245,834)
Net Cash Provided by Operating Activities	1,653,651	399,527
Cash Flows from Investing Activities:		
Net sales (purchases) of investments	(41,963)	43,081
Purchases of property and equipment	(7,119)	(45,915)
Net Cash Required by Investing Activities	(49,082)	(2,834)
Cash Flows from Financing Activities:		
Principal payments on note payable	(127,129)	(123,475)
Net Cash Required by Financing Activities	(127,129)	(123,475)
Net Increase in Cash	1,477,440	273,218
Cash, Beginning of Year	1,271,130	997,912
Cash, End of Year	$ 2,748,570	$ 1,271,130

Supplemental Disclosure of Cash Flow Information:

	2022	2021
Cash paid for interest	$ 43,206	$ 48,207

Supplemental Disclosure of Non-Cash Operating Activities:

Effective January 1, 2022, the Organization adopted Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842). Adoption of this ASU resulted in the Organization recording a right-of-use ("ROU") asset of and related lease liability of $618,974 on January 1, 2022 which represents the present value of future lease payments on the Organization's leases further detailed in Note 14 at the date of adoption.

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

NOTE 1 – ORGANIZATION AND PURPOSE

Habitat for Humanity of Northwest Metro Atlanta, Inc. (the “Organization”) is a Georgia nonprofit organization, organized exclusively for charitable purposes, which include the promotion of services among low-income persons of Cobb, Douglas and Paulding Counties in the State of Georgia by providing housing specifically designated to meet their needs.

The Organization is supported primarily by home sales and contributions. It is an affiliate of Habitat for Humanity International, Inc. (“HFHI”), a non-denominational Christian nonprofit organization whose purpose is to create decent, affordable housing for those in need and to make decent shelter a matter of conscience with people everywhere. Although HFHI assists with information resources, training, publications, prayer support, and in other ways, the Organization is primarily and directly responsible for its own operations. The Organization creates housing by buying or receiving contributed land, organizing the construction of the property, and providing non-interest-bearing mortgages to the new homeowners (“homeowners”).

During 2022, as further described in Note 2, the Organization began operating a retail store (ReStore) to support the operations and mission of the Organization whereby reusable and surplus building materials, home furnishings, and other goods are donated and then sold to the community at a greatly reduced price.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following summary of significant accounting policies of the Organization is presented to assist in understanding the accompanying financial statements. The financial statements and accompanying notes are representations of the Organization’s management.

Basis of Presentation

The Organization follows accounting standards set by the Financial Accounting Standards Board (“FASB”). The FASB sets accounting principles generally accepted in the United States of America (“GAAP”).

Adoption of New Accounting Policies

Effective January 1, 2022, the Organization adopted Accounting Standards Update (“ASU”) 2016-02, Leases (Topic 842). The objective of this ASU is to increase transparency and comparability in financial reporting by requiring statement of financial position recognition of leases and note disclosure of certain information about lease arrangements. The Organization adopted ASU 2016-02 using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch-up adjustment to net assets recognized upon adoption, if necessary. Adoption of ASU 2016-02 did not result in changes to the Organization’s beginning net assets balance. Additionally, upon adoption, the Organization elected to use risk-free discount rate, an option only available to private entities, when calculating the present value of future lease payments and has made an accounting policy election to not recognize lease assets and lease liabilities for leases with terms of 12 months or less.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Policies (Continued)

Adoption of this ASU resulted in the Organization recording a right-of-use ("ROU") asset of and related operating lease liability of $618,974 on January 1, 2022 which represents the present value of future lease payments on the Organization's lease further detailed in Note 14 at the date of adoption.

In addition, effective January 1, 2022, the Organization adopted ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The ASU improves the transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations through enhancements to presentation and disclosure. ASU 2020-07 was issued to address certain stakeholders' concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by not-for-profits, as well as the amount of those contributions used in an entity's programs and other activities. The Organization applied ASU 2020-07 on a retrospective basis. This ASU did not have a material impact on the accompanying financial statements.

Net Assets

Net assets, revenue, and support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. 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 such resources be maintained in perpetuity. The Organization did not have any net assets of a perpetual nature at December 31, 2022 and 2021.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid temporary investments with a maturity of three months or less.

Fair Value Measured on Recurring Basis

The carrying amounts of receivables, accounts payable and notes payable, are reported at values which the Organization believes are not significantly different from fair values. The Organization believes no significant credit risk exists with respect to any of its financial instruments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants, Sponsorships, and Pledges Receivable

Grants receivable are recorded at the amounts of cash estimated as realizable. Contributions, including unconditional pledges, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted using a risk-adjusted rate appropriate for the expected term of the promise to give. Amortization of the discount is recorded as contribution revenue in accordance with donor-imposed restrictions, if any. Due to the nature of these receivables, prior years' experience and analysis of the specific receivables (including such factors as prior collection history), management believes that the amounts are fully collectible; therefore, no allowance for uncollectible receivables is provided at December 31, 2022 or 2021.

Mortgage Loans Receivable

The Organization accepts a first mortgage loan receivable for the amount of construction cost of the homes sold. These mortgages are all from low-income individuals residing or working in Cobb, Douglas and Paulding Counties for a period of at least twelve months. In order to qualify for credit, the homeowners must have a 30-43% income to debt ratio and a proven ability to pay bills on time and reasonably carry a mortgage, among other criteria.

These non-interest bearing mortgage loans receivable, representing approximately 300 mortgages at December 31, 2022 and 2021 are recorded based on the present value of the mortgage loans at the time of closing. The present value of mortgage loans receivable is calculated using interest rates based on the market rates for a similar type of loan, which range approximately 6% to 10%.

Discounts are amortized using the effective interest method over the life of the mortgage loans. Mortgage loans are secured by the related homes. Payments of principal are due monthly ranging from $90 to $800, based on mortgage terms that generally range from fifteen to twenty-five years. In addition, the homeowners make monthly escrow payments for taxes and insurance.

The Organization also holds self-forgiving mortgages on the homes equal to the difference between the fair value of the homes and the cost of the homes. These mortgages are forgiven pro-rata over the term of the self-forgiving mortgage.

Mortgage loans receivable are periodically evaluated for collectability based on past credit history with homeowners and their current financial condition. Allowances for credit losses on mortgage loans receivable are determined on the basis of loss experience, known and inherent risks in the mortgage loan portfolio, payment delinquencies and the estimated value of the underlying collateral. Assets repossessed that are expected to be re-sold in the normal course of the Organization's operations are included in inventory on the accompanying statement of financial position at the mortgage value, net of the present value discount.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Mortgage Loans Receivable (Continued)

In addition, many of the mortgage agreements also contain a silent second agreement to discourage quick resale of the properties for profits. These recapture agreements requires the homeowner to pay non-interest bearing principal amounts of generally $10,000 to $47,000 to the Organization if the home is resold within a certain time as defined by the agreement. The recaptured amount will be reduced and forgiven over the term of the loan as defined by the agreement.

Inventory

Inventory consists of land, construction in progress, completed homes, materials, and donated ReStore inventory. Construction in progress includes land, materials and other expenditures incurred for houses under construction. Completed homes consist of land and houses that are complete but have not closed and title has not transferred to the homeowners, or homes repossessed as noted above. Materials inventory consists of construction materials not yet used on houses and is stated at the lower of cost or market.

Inventory was comprised of the following at December 31:

	2022	2021
Land	$ 476,810	$ 458,787
Construction in progress	98,409	45,186
Materials inventory and building supplies	80,133	78,329
ReStore donated inventory	74,946	-
	$ 730,298	$ 582,302

Property and Equipment

Property and equipment are stated at cost, or if donated, at estimated fair value at the date of donation. Any donations of property and equipment are also recorded as support in the statement of activities at their estimated fair value. Depreciation is computed over the estimated useful lives (3-30 years) of the assets using the straight-line method. Acquisitions of property and equipment or repairs, maintenance, or betterments that materially prolong the useful lives of assets and are in excess of $1,000 are capitalized. Annual depreciation expense for the years ended December 31, 2022 and 2021 was $30,616 and $29,001, respectively.

Loan Costs

Loan costs are those costs associated with obtaining financing and are amortized using the straight-line method over the 10-year term of the related loan agreement. Loan costs, net of accumulated amortization, are netted against notes payable in the accompanying statement of financial position.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Escrow Deposits

The Organization collects monthly escrow deposits for property taxes and insurance from owners and then disburses the funds to pay these items. The Organization remitted escrow funds on the behalf of its borrowers in excess of amounts received resulting in a receivable in the amount of $202,517 and $104,170 at December 31, 2022 and 2021.

Warranties

The Organization provides all homebuyers with mechanical and structural warranties for one year. The Organization's experience in warranty work claims has been very low; therefore, no accrual is recorded for future warranty expense as it is estimated to be immaterial. There are inherent uncertainties in estimating warranty costs; therefore, it is at least reasonably possible that the Organization's estimates of these costs will change in the near term.

Revenue Recognition

Home Sales

Home sales income consists of the sale of constructed homes and related land. These revenue arrangements consist of a single performance obligation to transfer promised property. The Organization recognizes revenue from these transactions on a point in time basis, upon settlement of each transaction. The Organization’s sales arrangements do not contain variable consideration provisions.

Contributions

The Organization records contributions as revenue upon notification from the donor. Contributions are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Grants

Grant revenue is derived from cost-reimbursable state and other contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures or meeting performance requirements are reported as deferred revenue in the statement of financial position.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

ReStore Retail Store Operations, Net

During 2022, the Organization began operating a retail home improvement store (the ReStore). The ReStore sells new and used building materials, home furnishings and other goods to the general public. Donations to the ReStore are made by businesses, organizations and individuals that have surplus or discontinued merchandise. Cost of goods sold is comprised of the fair market value of donated items sold and the cost of any purchased inventory sold.

Net ReStore retail store operations revenue consists of the following for the year ended December 31, 2022:

Donations to retail store	$ 674,516
Sale of donated and purchased items, net of returns and discounts	599,571
Cost of goods sold	(599,571)
	$ 674,516

Donated Services and Materials

Many individuals volunteer time and perform a variety of tasks that assist the Organization with various administrative and program tasks. The value of these services has not been reflected in the financial statements since they do not meet the criteria for recognition. These services include the many hours from volunteers in building the homes because the houses that the Organization builds are ultimately sold and converted to mortgages receivable, which are considered to be a financial asset.

Donated professional services, which require specialized skills and are provided by individuals possessing those skills, are valued at market rates for those services as contributions without donor restrictions.

The Organization receives a wide variety of donated building materials, appliances, home furnishings, and land. These items are reflected as non-cash contributions at their estimated fair market value on the date of receipt.

For the years ended December 31, 2022 and 2021, the fair market value of donated land, materials, and building supplies inventory, excluding donated ReStore inventory discussed above, received approximated $97,000 and $46,000, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services (i.e. fundraising and management and general activities). These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on either financial or nonfinancial data, such as headcount or estimates of time and effort incurred by personnel.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of 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.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision or liability for income taxes is included in the accompanying financial statements.

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In the normal course of business, the Organization is subject to examination by federal and state taxing authorities. In general, the Organization is no longer subject to tax examinations for tax years ending before December 31, 2019.

Risks and Uncertainties

The Organization’s financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, grants receivable, and non-interest-bearing mortgage loans receivable. At times, cash and cash equivalents may exceed federally insured amounts. The Organization believes it reduces risks associated with balances in excess of federally insured amounts by maintaining its cash and cash equivalents with major financial institutions with sound financial standing. Management continually monitors receivable balances and believes that its exposure to credit risk is limited. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events have been evaluated through the audit report date, which is the date the financial statements were available to be issued.

NOTE 3 – NON-INTEREST BEARING MORTGAGE LOANS RECEIVABLE

Future payments on non-interest bearing mortgage loans receivable as of December 31, 2021 are expected to be as follows:

2023	$ 1,568,898
2024 to 2027	3,271,342
After 2027	8,427,680
	$ 13,267,920

The following table reflects the age of the delinquent monthly mortgage loans receivable payments at December 31:

	2022	2021
Days Past Due		
1 - 60 days	$ 41,224	$ 13,335
61 - 90 days	14,541	10,525
Over 90 days	422,686	270,304
	$ 478,451	$ 294,164

Management represents that all mortgage loans receivable are collectible. The mortgages are fully collateralized by real estate and, therefore, the Organization feels that no allowance for doubtful accounts is considered necessary.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2022	2021
Land and building	$ 598,783	$ 598,783
Vehicles and equipment	138,974	138,974
Computer equipment	107,015	102,896
Furniture and fixtures	27,531	24,531
	872,303	865,184
Less: accumulated depreciation	(565,332)	(534,716)
	$ 306,971	$ 330,468

NOTE 5 – DUE TO COMMUNITY DEVELOPMENT BLOCK GRANT

Upon the closing of eligible houses, the Home Investment Partnerships Program loans down payment assistance of $10,000 to the homeowner. The Organization is the collection agent for principal payments on the mortgage between the Cobb County Community Development Block Grant ("CDBG") Program and the homeowners. The Organization remits these collections annually. Of these collections, $210,654 and $191,218 remain payable to the Cobb County CDBG Program at December 31, 2022 and 2021, respectively.

NOTE 6 – NOTE PAYABLE

The Organization has a note payable due to HFHI in the amount of $1,000,590. The note accrues interest at a rate of 4.00%, requires quarterly payments of $42,471, matures on September 30, 2029, and is secured by certain mortgage loans receivable as stipulated in the agreement. The note payable contains certain financial and non-financial covenants. The Organization was in compliance with all covenants at December 31, 2022.

NOTE 6 – NOTE PAYABLE (Continued)

Aggregate future maturities of principal under the note payable are as follows for the years ending December 31:

2023	$	131,819
2024		137,172
2025		142,742
2026		148,538
2027		154,569
Thereafter		285,750
		1,000,590
Debt issuances costs, net of accumulated amortization		(14,051)
	$	986,539

NOTE 7 – LINE OF CREDIT

The Organization has a $500,000 line of credit with a bank to be drawn upon as needed. The line of credit accrues interest at the Prime Rate minus 0.25% (an effective rate of 7.25% at December 31, 2022), is secured by the Organization's land and building, and matures in August 2025. There were no outstanding borrowings at December 31, 2022 and 2021.

NOTE 8 – PAYCHECK PROTECTION PROGRAM LOANS

In May 2020 and March 2021, the Organization obtained Small Business Administration loans under the Paycheck Protection Program (PPP) in the amounts of $110,000 and $141,079, respectively. The PPP loans bore interest at 1.00% and may have required repayment under certain circumstances. Under the terms of Coronavirus Aid, Relief, and Economic Securities Act (the “CARES Act”) and the Paycheck Protection Program Flexibility Act (“PPPFA”), the Organization had the option to apply with its lending institution for PPP loan proceeds used within a specified time period to be forgiven, provided the proceeds are used to cover certain payroll and other expenses as defined by the CARES Act and the PPPFA. During 2021, the Organization applied for complete loan forgiveness and was notified that the SBA approved its application and that the loans have been forgiven in their entirety.

NOTE 9 – RELATED PARTY TRANSACTIONS

During the years ended December 31, 2022 and 2021, the Organization received approximately $119,000 and $51,000 in contributions and sponsorships from HFHI, respectively.

HFHI’s affiliates are expected to contribute to HFHI, in order to construct homes in economically depressed areas around the world. For the years ended December 31, 2022 and 2021, the Organization contributed $7,000 and $6,000 to HFHI, respectively. This amount is included in program services expense in the accompanying statement of activities.

NOTE 9 – RELATED PARTY TRANSACTIONS (Continued)

In October 2014, the Organization signed into a revenue sharing agreement with Habitat for Humanity Restore Operations Group, LLC, ("Restore Facility"), a wholly owned subsidiary of HFHI. The Restore Facility sells building products and materials, as well as other home products to the public. The Organization has purchase options to buy the Restore Facility for $200,000 after 5 years and can exercise a purchase option for $100,000 after 10 years. Under this agreement the Organization currently receives 33% of the net revenues of the Restore Facility. The Organization received approximately $43,000 and $98,000 during the years ended December 31, 2022 and 2021, respectively, included within other support and revenue in the accompanying statement of activities. This agreement was terminated during 2022 upon the Organization assuming its own ReStore operations as further discussed in Notes 1 and 2.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31:

	2022	2021
Future home build sponsorships	$ 749,098	$ 137,913
Homes for Heroes	90,295	2,657
Home repairs	57,789	-
Mortgage Relief	-	11,933
	$ 897,182	$ 152,503

NOTE 11 – RETIREMENT PLAN

The Organization has a 401(k) profit sharing plan, which became effective October 1, 2000. The Organization made discretionary contributions to the plan of $23,303 and $14,089 during the years ended December 31, 2022 and 2021, respectively.

NOTE 12 – CONTINGENCIES

The Organization depends heavily on grants to support ongoing operations. To the extent economic conditions negatively impact future contribution levels, the Organization's ability to continue at its current level of activity could be substantially impacted.

Contracts and contributions often require the fulfillment of certain conditions as set forth in the terms of the related instrument. Failure to fulfill the conditions could result in the return of the funds to the grantors. Management represents that the Organization has complied with any such conditions related to revenue recognized. Although the return of funds is a possibility, management deems the contingency unlikely.

NOTE 13 – LEASE COMMITMENTS

During 2022, the Organization entered a lease agreement for its ReStore operations under a non-cancelable operating lease that matures in June 2027.

As detailed in Note 2, the Organization adopted ASU 2016-02, Leases, on January 1, 2022 and has recorded an ROU asset and liability which represent the present value of future lease payments using the risk free rate of return that corresponds to the lease length.

At December 31, 2022, the Organization's operating lease liability was comprised of the following:

Gross operating lease liabilities	$	606,845
Less: imputed interest		(39,642)
Present value of operating lease liabilities	$	567,203

Operating lease expense and operating cash out flows on the above lease was $66,722 and $60,375, respectively, for the year ending December 31, 2022 and the present value discount rate was 2.88%.

The schedule below summarizes the future minimum annual lease payments for the years ending December 31:

2023	$	123,769
2024		129,957
2025		136,455
2026		143,278
2027		73,386
		606,845
Less: present value discount		(39,642)
	$	567,203

NOTE 14 – LIQUIDITY AND AVAILABILITY OF RESOURCES

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. As described in Note 7, the Organization has a line of credit until August 2025 to draw upon in the event of an unanticipated liquidity need. Financial assets available for general expenditure within one year of the statement of financial position date of December 31 comprise the following:

	2022	2021
Cash	$ 2,748,570	$ 1,271,130
Investments	72,095	32,504
Receivables	286,020	464,156
Non-interest bearing mortgage loans receivable receivable - less than one year	1,568,898	1,515,991
	4,675,583	3,283,781
Less those unavailable for general expenditures within one year, due to:		
Donor imposed restrictions	(897,182)	(176,526)
Financial assets available to meet cash needs for general expenditures within one year	$ 3,778,401	$ 3,107,255