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Reg. ICPARD No 324 . R.N.C. 1-30-36202-5

REPORT OF INDEPENDENT AUDITORS

To the Management and Board of Directors of
Habitat For Humanity International, Inc.
(Dominican Republic Branch)

Opinion

We have audited the accompanying statements of financial position of Habitat for Humanity International, Inc. (Dominican Republic Branch), which include the statements of activities, changes in assets and cash flows as of June 30, 2021, and its notes, which comprise the summary of the main accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material aspects, the financial position of Habitat for Humanity International, Inc. (Dominican Republic Branch) as of June 30, 2021, its financial performance and its cash flows for the year ended in said date, in accordance with the Generally Accepted Accounting Principles in the United States (USGAAP).

Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing. Our responsibilities under these standards are further described in the External Auditors' Responsibility for Audits of the Financial Statements section of our report.

We are independent from the Entity in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code of Ethics) together with the ethical requirements that are applicable to our audit of the financial statements issued by the Institute of Public Accountants of the Dominican Republic (ICPARD) and we have complied with the audit evidence that we have obtained that provides a sufficient and adequate basis to support our audit opinion.

Other issues

The financial statements of Habitat for Humanity International, Inc. (Dominican Republic Branch), corresponding to the year ended June 30, 2020, were audited by other auditors who expressed an unqualified opinion on those statements.

Responsibility of the Administration and of the Board of Directors of the Entity regarding the financial statements

The Administration of the institution is responsible for the reasonable preparation and preparation of these financial statements in accordance with the Generally Accepted Accounting Principles in the United States (USGAAP) and for the design, implementation and maintenance of the internal control that the Administration determines necessary to allow preparing financial statements free of material errors, whether due to fraud or errors.



In preparing the financial statements, Management is responsible for evaluating the institution's ability to continue as a functioning entity, revealing, as appropriate, matters related to the use of this accounting principle, unless Management intends to liquidate the Entity or cease its operations, or there is no other realistic alternative to do so.

Those responsible for the governance of the entity are in charge of supervising the process and presentation of the financial information of the Entity.

Responsibility of the External Auditors in Relation to the Audit of the Financial Statements

The objective of our audit is to obtain reasonable assurance that the financial statements as a whole are free of material errors, due to fraud or errors, and to issue an audit report that contains our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit carried out in accordance with International Standards on Auditing will always detect material misstatement where it exists. Misstatements can arise from fraud or errors and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions that users make based on the financial statements.

As part of an audit in accordance with International Standards on Auditing, we apply our professional judgment and maintain an attitude of professional skepticism throughout the audit. Too:

We identify and assess the risks of material misstatement in the financial statements due to fraud or errors, design and perform audit procedures to respond to such risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting material deviations resulting from fraud is greater than in the case of material misstatement due to error, as fraud may involve collusion, falsification, deliberate omissions, intentionally misstatements, or circumvention of internal control.

We obtain knowledge of the understanding of the internal control system 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 Entity's internal control system.

We evaluate the adequacy of the accounting policies applied and the reasonableness of the accounting estimates and the information disclosed by the Administration.

We conclude on the appropriateness of the use, by the Administration, of the accounting principle of the operating entity and based on the audit evidence obtained, we conclude whether or not there is a material uncertainty related to events or conditions that may generate significant doubts about the Entity's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the relevant information disclosed in the financial statements or if such disclosures are not adequate, we are required to express a modified opinion. Our conclusions are based on the audit evidence obtained up to the dates of our audit report. However, future events or conditions may cause the Entity to cease to be a going concern.



We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present the underlying transactions and events in a way that achieves their fair presentation.

We communicate to the Administration of Habitat for Humanity International, Inc. (Dominican Republic Branch), among other matters, the scope of the planned approach, the timing of the audit and the significant findings detected in its performance, including any significant deficiency in the internal control system that we identify during our audit.

Magallanes Herrera & Asocs.

Santo Domingo, R. D.
August 10, 2021.



Habitat For Humanity International, Inc.
(Dominican Republic Branch)
Financial Position Statement
June 30th, 2021 and 2020
(Values expressed in US dollars)

	Notes	2021 U\$	2020 U\$
Assets			
Current:			
Cash and cash equivalents	4	755,020	146,321
Investments	5	1,690,488	1,822,525
Accounts Receivables:	6,7	34,893	25,197
Construction in process		4,087	31,014
Expenses paid in advance		4,732	5,517
Total current assets		<u>2,489,220</u>	<u>2,030,574</u>
Mortgages receivables (note 7)	7	7,118	14,273
Furniture, equipment and vehicles (note 8)	8	37,613	63,052
Other assets		10,871	13,757
Total assets		<u>2,544,822</u>	<u>2,121,656</u>
Liabilities			
Current:			
Accounts payables	9	78,466	71,437
Accrued expenses	11	55,046	77,345
Total current liabilities		<u>133,512</u>	<u>148,782</u>
Accrued expenses non-current liabilities	11	139,878	158,423
Total liabilities		<u>273,390</u>	<u>307,205</u>
Commitments	19	-	-
Accumulated Funds:			
Non-restrict assets restricts		1,988,814	1,770,773
Restrict assets		282,618	43,678
Total accumulated funds		<u>2,271,432</u>	<u>1,814,451</u>
Total liabilities and net funds		<u>2,544,822</u>	<u>2,121,656</u>

The notes (1 to 20) are an integral part of the financial statements

Habitat For Humanity International, Inc.
(Dominican Republic Branch)
Statement of Activities
For the years ended on June 30th, 2021 and 2020
(Values expressed in US dollars)

	Notes	2021			2020		
		Non- restricted	Restricted	Total	Non- restricted	Restricted	Total
		US\$	US\$	US\$	US\$	US\$	US\$
Income							
	12						
Donations from Headquarters		614,360	-	614,360	370,048	-	370,048
Donations - local and foreign		20,540	756,809	777,348	39,518	178,094	217,612
Contributions in kind		794	-	794	7,597	-	7,597
Technical assistance		26,961	-	26,961	19,218	-	19,218
		<u>662,655</u>	<u>756,809</u>	<u>1,419,463</u>	<u>436,381</u>	<u>178,094</u>	<u>614,475</u>
Other income	13	153,992	-	153,992	195,882	-	195,882
Total income		<u>816,646</u>	<u>756,809</u>	<u>1,573,455</u>	<u>632,263</u>	<u>178,094</u>	<u>810,357</u>
Expenses							
Home repair expenses (note 14)	14	71,758	-	71,758	135,012	-	135,012
Expenses service programs (note 15)	15	216,900	472,563	689,463	346,117	140,415	486,532
Fundraising (note 16)	16	149,570	3,516	153,086	178,592	21,613	200,205
General and administrative (note 17)	17	160,378	41,789	202,166	240,869	1,229	242,098
Total expenses		<u>598,605</u>	<u>517,868</u>	<u>1,116,473</u>	<u>900,590</u>	<u>163,257</u>	<u>1,063,847</u>
Exchange difference		-	-	-	172,120	-	172,120
		<u>598,605</u>	<u>517,868</u>	<u>1,116,473</u>	<u>1,072,710</u>	<u>163,257</u>	<u>1,235,967</u>
Changes in assets net		<u>218,041</u>	<u>238,940</u>	<u>456,981</u>	<u>(440,447)</u>	<u>14,837</u>	<u>(425,610)</u>

The notes (1 to 20) are an integral part of the financial statements

Habitat For Humanity International, Inc.
(Dominican Republic Branch)
Statement of Changes in Assets
June 30th, 2021 and 2020
(Values expressed in US dollars)

	Notes	Activos no Restrictos US\$	Activos Restrictos US\$	Total US\$
Balances as of June 30th., 2019		2,212,720	27,341	2,240,061
Changes in assets (note 18)	18	<u>(441,947)</u>	<u>16,337</u>	<u>(425,610)</u>
Balances as of June 30th., 2020		1,770,773	43,678	1,814,451
Changes in assets (note 18)	18	<u>218,041</u>	<u>238,940</u>	<u>456,981</u>
Balances as of June 30th., 2021		<u>1,988,814</u>	<u>282,618</u>	<u>2,271,432</u>

The notes (1 to 20) are an integral part of the financial statements

Habitat For Humanity International, Inc.
(Dominican Republic Branch)
Statement Cash Flow Statement
For the years ended on June 30th, 2021 and 2020
(Values expressed in US dollars)

	Notes	2021 US\$	2020 US\$
Reconciliation between Net profit (net loss) and net cash used in operating activities:			
Changes in the net assets:		456,982	(425,610)
Adjustments to reconcile changes in net assets with net cash used in operating activities			
Depreciation	11	28,097	24,075
Effect for assets retirement		-	(6,656)
Increase (decrease) in assets and liabilities:			
Accounts receivables		(9,696)	101,609
Construction in process		26,927	-
Mortgages receivables		7,155	7,939
Expenses paid in advance		785	(4,884)
Other assets		2,886	(12,193)
Accounts and accruals payable		(33,816)	(45,978)
		<u>22,338</u>	<u>63,912</u>
Net cash provided by (used in) operating activities		<u>479,320</u>	<u>(361,698)</u>
Cash in investment activities:			
Interest fund of investment	11	(20,799)	(19,187)
Acquisition of furniture and equipment		(2,658)	(4,067)
Opening financial certificates		-	(1,163,062)
Cancellation financial certificates		243,412	777,556
Investment capitalization		(90,576)	59,258
Net cash provided by (used in) investment activities		<u>129,379</u>	<u>(349,502)</u>
Net increase (decrease) in cash		608,699	(711,200)
Cash at the beginning of the year	4	<u>146,321</u>	<u>857,521</u>
Cash and cash equivalents at the end of the period	4	<u><u>755,020</u></u>	<u><u>146,321</u></u>

The notes (1 to 20) are an integral part of the financial statements