



Audidores, Contadores Públicos, Consultores Fiscales y Gerenciales

**HABITAT FOR HUMANITY INTERNATIONAL, INC.
(DOMINICAN REPUBLIC BRANCH)**

**REPORT OF INDEPENDENT AUDITORS
OF JUNE 30, 2023**





Audidores, Contadores Públicos, Consultores Fiscales y Gerenciales
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, 2023, 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, 2023, 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.

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.

 **MAGALLANES HERRERA & ASOCS.**

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 & Asocs.

Santo Domingo, Dominican Republic.
August 14, 2023.

Members of



Habitat for Humanity International, Inc.
(Dominican Republic Branch)
Financial Position Statement
June 30th, 2023 and 2022
(Values expressed in US dollars)

	Notes	2023 U\$	2022 U\$
Assets			
Current:			
Cash and cash equivalents	4	745,539	529,799
Investments	5	1,820,046	1,804,549
Accounts receivable and current portion of long-term accounts receivable	6,7	177,221	139,113
Expenses paid in advance		32	5,441
Total current assets		<u>2,742,838</u>	<u>2,478,902</u>
Long-term accounts receivable	6	117,830	-
Mortgages receivables (note 7)	7	4,258	5,151
Furniture, equipment and vehicles (note 8)	8	23,230	37,583
Other assets		15,500	12,075
Total assets		<u>2,903,656</u>	<u>2,533,711</u>
Liabilities			
Current:			
Accounts payables	9	33,880	78,547
Accrued expenses	11	66,201	43,441
Total current liabilities		<u>100,082</u>	<u>121,988</u>
Accrued expenses non-current liabilities	11	223,636	176,101
Total liabilities		<u>323,718</u>	<u>298,089</u>
Commitments	19	-	-
Accumulated Funds:			
Non-restrict assets restricts		2,157,341	2,064,236
Restrict assets		422,598	171,386
Total accumulated funds		<u>2,579,939</u>	<u>2,235,622</u>
Total liabilities and net funds		<u>2,903,656</u>	<u>2,533,711</u>

The notes (1 to 19) 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, 2023 and 2022
(Values expressed in US dollars)

	Notes	2023			2022		
		Non- restricted	Restricted	Total	Non- restricted	Restricted	Total
		US\$	US\$	US\$	US\$	US\$	US\$
Income							
	12						
Donations from Headquarters		744,652	-	744,652	584,242	-	584,242
Donations - local and foreign		64,787	1,117,133	1,181,920	17,047	1,343,738	1,360,785
Contributions in kind		-	43,875	43,875	5,552	-	5,552
Technical assistance		33,762	-	33,762	29,680	-	29,680
		<u>843,201</u>	<u>1,161,007</u>	<u>2,004,209</u>	<u>636,521</u>	<u>1,343,738</u>	<u>1,980,259</u>
Other income	13	136,372	-	136,372	167,079	-	167,079
Total income		<u>979,573</u>	<u>1,161,007</u>	<u>2,140,581</u>	<u>803,600</u>	<u>1,343,738</u>	<u>2,147,338</u>
Expenses							
Home repair expenses (note 14)	14	71,164	562,117	633,281	92,904	983,427	1,076,331
Expenses service programs (note 15)	15	477,213	345,749	822,962	377,362	465,177	842,539
Fundraising (note 16)	16	136,761	1,930	138,691	118,910	5,963	124,873
General and administrative (note 17)	17	201,331	-	201,331	139,002	404	139,406
Total expenses		<u>886,469</u>	<u>909,796</u>	<u>1,796,264</u>	<u>728,179</u>	<u>1,454,971</u>	<u>2,183,149</u>
Exchange difference							
		<u>886,469</u>	<u>909,796</u>	<u>1,796,264</u>	<u>728,179</u>	<u>1,454,971</u>	<u>2,183,149</u>
Changes in assets net		<u>93,105</u>	<u>251,212</u>	<u>344,316</u>	<u>75,421</u>	<u>(111,233)</u>	<u>(35,812)</u>

The notes (1 to 19) are an integral part of the financial statements

Habitat for Humanity International, Inc.
(Dominican Republic Branch)
Statement of Changes in Assets
June 30th, 2023 and 2022
(Values expressed in US dollars)

	Notes	Activos no Restrictos US\$	Activos Restrictos US\$	Total US\$
Balances as of June 30th., 2021		1,988,815	282,619	2,271,434
Changes in assets (note 18)	18	<u>75,421</u>	<u>(111,233)</u>	<u>(35,811)</u>
Balances as of June 30th., 2022		<u>2,064,236</u>	<u>171,386</u>	<u>2,235,622</u>
Changes in assets (note 18)	18	<u>93,105</u>	<u>251,212</u>	<u>344,316</u>
Balances as of June 30th., 2023		<u>2,157,341</u>	<u>422,598</u>	<u>2,579,939</u>

The notes (1 to 19) 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, 2023 and 2022
(Values expressed in US dollars)

	Notes	2023 US\$	2022 US\$
Reconciliation between Net profit (net loss) and net cash used in operating activities:			
Changes in the net assets:		344,316	(35,811)
Adjustments to reconcile changes in net assets with net cash used in operating activities			
Depreciation	11	14,484	29,356
Increase (decrease) in assets and liabilities:			
Accounts receivables		(155,938)	(104,221)
Construction in process		-	4,087
Mortgages receivables		893	1,967
Expenses paid in advance		5,409.21	(709)
Other assets		(3,424)	(1,204)
Accounts and accruals payable		25,629	24,700
		<u>(112,947)</u>	<u>(46,023)</u>
Net cash provided by (used in) operating activities		<u>231,369</u>	<u>(81,834)</u>
Cash in investment activities:			
Interest fund of investment	11	(8,470)	(24,531)
Acquisition of furniture and equipment		(12,140)	(29,326)
disposition of furniture and equipment		12,009	-
Opening financial certificates		(108,595)	(201,237)
Cancellation financial certificates		163,964	211,964
Investment capitalization		(62,398)	(100,255)
Net cash provided by (used in) investment activities		<u>(15,630)</u>	<u>(143,386)</u>
Net increase (decrease) in cash		215,740	(225,220)
Cash at the beginning of the year	4	<u>529,799</u>	<u>755,019</u>
Cash and cash equivalents at the end of the period	4	<u>745,539</u>	<u>529,800</u>

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