

INDEPENDENT AUDITORS REPORT

To the Management and Board of Directors of
Habitat for Humanity International, Inc.

Opinion

We have audited the position financial statements of Habitat for Humanity International, Inc. (Dominican Republic Branch) as of June 30, 2024, as well as the statements of activities, changes in assets and cash flows for the year ended in the date and its notes, which include the summary of the main accounting policies and other explanatory information.

In our opinion, the financial statements present reasonably, in all material respects, the financial position of Habitat for Humanity International, Inc. (Dominican Republic Branch) as of June 30, 2024, its financial performance and its cash flows for the year then ended in accordance with generally accepted accounting principles in the United States (GAAP).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are described below in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Institution 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 ethics requirements issued by the Institute of Certified Public Accountants of the Dominican Republic (ICPARD), which are applicable to our audit of the financial statements in the Dominican Republic and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters

The financial statements of the Entity as of June 30, 2023 were audited by other auditors, in whose opinion dated August 25, 2023, they expressed an unqualified opinion.

Responsibilities of Management and those responsible for the Institution's governance in relation to the financial statements.

The Institution's Administration is responsible for the preparation and reasonable presentation of the financial statements in accordance with Generally Accepted Accounting Principles in the United States (USGAAP) and for the design, implementation and maintenance of the internal control that the administration determined necessary to allow the preparation of these financial statements free of significant errors, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Institution's ability to continue as a going concern by disclosing, as appropriate, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Institution or to cease operations or has no realistic alternative but to do so.

Those responsible for the Institution's governance are in charge of overseeing the Institution's financial reporting process.

Responsibilities of the auditor regarding the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements, as a whole, are free of material errors, due to fraud or error and to issue an audit report that contains our opinion. Reasonable assurance is a high degree of security but does not guarantee that an audit conducted in accordance with International Standards on Auditing, always detect when there is a material error. Errors may be due to fraud or error and are considered material if, individually or in aggregate form, could 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 Auditing Standards, we apply our professional judgment and maintain an attitude of professional skepticism throughout the audit. We also:

- We identify and evaluate the risks of material errors in the financial statements, whether due to fraud or error, we design and apply audit procedures to respond to these risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material error due to fraud is higher than in the case of a material error due to errors, since fraud may involve collusion, forgery, deliberate omissions, erroneous manifestations or circumvention of internal control.
- 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 Institution's internal control.
- We evaluate that the accounting policies applied are appropriate, the reasonableness of the accounting estimates and the corresponding disclosures presented by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution'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 related disclosures in the financial statements or, if such disclosures are not appropriate, to express a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions could cause the Institution to be unable to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the information disclosed and whether the financial statements represent the underlying transactions and events in a manner that achieves a reasonable presentation.

- We communicate with those responsible for the governance of the Company in relation to the scope and timing of the planned audit and the significant audit findings, among other matters, including any significant deficiencies in the internal control that we identify during the course of the audit.

We communicate with those responsible for the governance of the Company in relation to, among other matters, the scope and timing of the planned audit and the significant findings of the audit, including any significant deficiencies in the internal controls that we identify in the course of the audit.



August 13, 2024
Santo Domingo,
Dominican Republic



Habitat for Humanity International, Inc.

(Dominican Republic Branch)

Financial Position Statement

June 30th, 2024 and 2023

(Values expressed in US dollars)

	<u>2024</u>	<u>2023</u>
Assets		
Current:		
Cash and cash equivalents (note 4)	1,180,208	745,539
Investments (note 5)	2,016,680	1,820,046
Accounts Receivables (notes 6 y 7)	155,967	177,221
Expenses paid in advance	8,188	32
Total current assets	<u>3,361,043</u>	<u>2,742,838</u>
Long-term accounts receivable (note 6)	77,562	117,830
Mortgages receivables (note 7)	1,699	4,258
Furniture, equipment and vehicles (note 8)	252,252	23,230
Other assets	13,857	15,500
Total assets	<u>3,706,413</u>	<u>2,903,656</u>
Liabilities		
Current:		
Accounts payables (note 9)	164,490	33,880
Accrued expenses (note 11)	60,063	66,201
Total current liabilities	<u>224,553</u>	<u>100,081</u>
Accrued expenses non-current liabilities (note 11)	245,513	223,636
Deferred liabilities	319,303	-
Total liabilities	<u>789,369</u>	<u>323,717</u>
Accumulated Funds:		
Non-restrict assets restricts	2,393,044	2,157,341
Restrict assets	524,000	422,598
Total accumulated funds	<u>2,917,044</u>	<u>2,579,939</u>
Total liabilities and net funds	<u>3,706,413</u>	<u>2,903,656</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, 2024 and 2023

(Values expressed in US Dollars)

	2024			2023		
	No restricto	restricto	Total	No restricto	restricto	Total
Changes in restricted net assets:						
Income (note 12)						
Donations from Headquarters	867,382	-	867,382	744,652	-	744,652
Donations – local and foreign	71,276	1,834,443	1,905,719	64,787	1,117,133	1,181,920
Contributions in kind	-	42,664	42,664	-	43,875	43,875
Technical assistance	22,652	-	22,652	33,762	-	33,762
	961,310	1,877,107	2,838,417	843,201	1,161,008	2,004,209
Other income (note 13)	192,701	-	192,701	136,372	-	136,372
Total income	1,154,011	1,877,107	3,031,118	979,573	1,161,008	2,140,581
Expenses:						
Home repair expenses (note 14)	89,675	1,117,161	1,206,836	71,164	562,117	633,281
Expenses service programs (note 15)	394,999	658,142	1,053,141	477,213	345,749	822,962
Fundraising (note 16)	119,302	402	119,704	136,761	1,930	138,691
General and administrative (note 17)	314,332	-	314,332	201,331	-	201,331
Total expenses	918,308	1,775,705	2,694,013	886,469	909,796	1,796,265
Changes in assets net	235,703	101,402	337,105	93,104	251,212	344,316

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

For the years ended on June 30th, 2024 and 2023

(Values expressed in US dollars)

	<u>Non-restricted Assets</u>	<u>Restricted Assets</u>	<u>Total</u>
Balances as of June 30th., 2022	2,064,236	171,386	2,235,622
Changes in assets (note 18)	<u>93,105</u>	<u>251,212</u>	<u>344,317</u>
Balances as of June 30th., 2023	2,157,341	422,598	2,579,939
Changes in assets (note 18)	<u>235,703</u>	<u>101,402</u>	<u>337,105</u>
Balances as of June 30th., 2024	<u>2,393,044</u>	<u>524,000</u>	<u>2,917,044</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, 2024 and 2023

(Values expressed in US dollars)

	<u>2024</u>	<u>2023</u>
Reconciliation of net income to net cash provided by (used in) operating activities:		
Changes in the net assets	337,105	344,316
Adjustments to reconcile changes in net assets with net cash used in operating activities:		
Depreciation	23,293	14,484
Increase (decrease) in assets and liabilities:		
Accounts receivables	61,522	(155,938)
Mortgages receivables	2,559	893
Expenses paid in advance	(8,156)	5,409
Other assets	1,643	(3,424)
Accounts and accruals payable	465,652	25,629
Total adjustments	<u>546,513</u>	<u>(112,947)</u>
Net cash (used in) provided by operating activities	<u>883,618</u>	<u>231,369</u>
Cash in investment activities:		
Interest fund of investment	11,541	(8,470)
Acquisition of furniture and equipment	(252,315)	(12,140)
Opening financial certificates	(169,795)	(108,595)
Cancellation financial certificates	-	163,964
Disposal of furniture and equipment	-	12,009
Investment capitalization	<u>(38,380)</u>	<u>(62,398)</u>
Net cash used in investment activities	<u>448,949</u>	<u>(15,630)</u>
Net increase (decrease) in cash	434,669	215,740
Cash at the beginning of the year	745,539	529,799
Cash at the end of the period	<u>1,180,208</u>	<u>745,539</u>

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