

HOMES FOR HOMES

(A Nonprofit Corporation)

Financial Statements With Independent Auditor's Report Thereon

FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023



Homes for Homes

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Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Homes for Homes, which comprise the statements of financial position as of December 31, 2024 and 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of Homes for Homes as of December 31, 2024 and 2023, and the changes in its net assets and its 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). 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 Homes for Homes 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 Homes for Homes's ability to continue as a going concern for one year after the date that the financial statements are 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Homes for Homes'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 Homes for Homes'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

A handwritten signature in black ink, appearing to read "Miller CPA", with the letters "CPA" written below the signature.

Miller CPA, PLLC
Murfreesboro, TN
January 31, 2025

HOMES FOR HOMES
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 and 2023

	ASSETS	
	2024	2023
CURRENT ASSETS		
Cash and equivalents	\$ 868,160	\$ 993,548
Prepaid expenses	36,100	113,224
Total current assets	904,260	1,106,772
PROPERTY AND EQUIPMENT, NET	35,482	-
TOTAL ASSETS	\$ 939,742	\$ 1,106,772
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 2,704	\$ 1,900
NET ASSETS		
Without donor restrictions	937,038	1,104,872
TOTAL LIABILITIES AND NET ASSETS	\$ 939,742	\$ 1,106,772

See accompanying notes to financial statements and independent auditor's report.

HOMES FOR HOMES
STATEMENTS OF ACTIVITIES AND
CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023

	2024	2023
Revenue without donor restrictions		
Contributions	\$ 443,815	\$ 751,047
Fundraising events	720,707	608,535
Non-cash donations	46,152	-
Total revenue without donor restrictions	1,210,674	1,359,582
Expenses		
Program services	1,094,463	1,079,919
Management and general	40,291	39,175
Fundraising	270,253	88,572
Total expenses	1,405,007	1,207,666
Other revenue		
Interest revenue	26,499	17,272
CHANGE IN NET ASSETS	(167,834)	169,188
Net assets without donor restrictions at beginning of year	1,104,872	935,684
NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR	\$ 937,038	\$ 1,104,872

See accompanying notes to financial statements and independent auditor's report.

HOMES FOR HOMES
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023

	2024				2023			
	Program Services	Supporting Services		Totals	Program Services	Supporting Services		Totals
		Management and General	Fund-raising			Management and General	Fund-raising	
Salaries and related costs	\$ 59,413	\$ 14,853	\$ -	\$ 74,266	\$ 47,542	\$ 11,885	\$ -	\$ 59,427
Depreciation	428	-	-	428	-	-	-	-
Donations to ministry partners	951,260	-	-	951,260	940,415	-	-	940,415
Postage and mailing fees	-	7,754	-	7,754	-	12,919	-	12,919
Office supplies	-	1,876	-	1,876	-	4,574	-	4,574
Business registration fees	1,486	371	-	1,857	24	6	-	30
Professional fees	44,934	11,231	-	56,165	20,041	5,009	-	25,050
Advertising	-	-	23,193	23,193	-	-	32,390	32,390
Finance fees and charges	15,297	3,813	-	19,110	17,930	4,469	-	22,399
Insurance	1,235	309	-	1,544	1,188	297	-	1,485
Program platform fees	13,061	-	-	13,061	13,581	-	-	13,581
Travel	7,009	-	-	7,009	39,134	-	-	39,134
Meals	339	85	-	424	64	16	-	80
Totals	1,094,462	40,292	23,193	1,157,947	1,079,919	39,175	32,390	1,151,484
Direct costs of fundraising event	-	-	247,060	247,060	-	-	56,182	56,182
Total expenses	<u>\$ 1,094,462</u>	<u>\$ 40,292</u>	<u>\$ 270,253</u>	<u>\$ 1,405,007</u>	<u>\$ 1,079,919</u>	<u>\$ 39,175</u>	<u>\$ 88,572</u>	<u>\$ 1,207,666</u>

See accompanying notes to financials statements and independent auditor's report.

HOMES FOR HOMES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (167,834)	\$ 169,188
Adjustments to reconcile increase (decrease) in net assets to net cash net cash provided by (used in) operating activities		
Depreciation expense	428	-
Donation of investments	(19,157)	-
Decrease (increase) in operating assets:		
Prepaid expenses	77,124	(111,224)
Increase in operating liabilities		
Accounts payable and accrued expenses	804	1,900
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(108,635)	59,864
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	19,157	-
Purchase of property and equipment	(35,910)	-
NET CASH USED IN INVESTING ACTIVITIES	(16,753)	-
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(125,388)	59,864
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	993,548	933,684
CASH AND EQUIVALENTS AT END OF YEAR	\$ 868,160	\$ 993,548

See accompanying notes to financial statements and independent auditor's report.

HOMES FOR HOMES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023

NOTE A – NATURE OF ACTIVITIES, BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Homes for Homes (the “Organization”) was incorporated as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. The Organization aims to engage their partners in the real estate community to give a portion of their income to build homes for families in developing countries. The Organization represents these philanthropic successes in the United States to help expand fundraising efforts to meet the growing needs of both operating existing facilities and funding new projects to replicate the resounding success of the institutions currently supported.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and other support and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation

The Organization presents its financial statements in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958, *Financial Statements for Not-for-Profit Organizations*. Accordingly, the Organization reports information regarding its financial position and activities according to the two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Organization.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of donor restricted contributions and grants. Amounts restricted by donors for a specific purpose are deemed to be earned and reported as restricted revenue when received, and such unexpended amounts are reported as net assets with donor restrictions at year-end. When the donor restriction expires, that is, when a stipulated time 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 as “net assets released from restrictions”. There were no net assets with donor restrictions as of December 31, 2024 and 2023.

Net assets with donor restrictions also consist of donor restricted contributions, which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations. There were no net assets with donor restricted contributions to be held in perpetuity as of December 31, 2024 and 2023.

HOMES FOR HOMES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023

NOTE A – NATURE OF ACTIVITIES, BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions are recognized as revenue when received or unconditionally pledged. All contributions are available for unrestricted use unless specifically restricted by the donor or grantor. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Cash and Equivalents

Cash and equivalents include cash on hand and short-term investments with original maturities of three months or less.

Property and Equipment, Net

Property and equipment are stated at cost. The cost of additions and major improvements are capitalized and maintenance and repairs are charged to expense as incurred. When assets are retired, or otherwise disposed of, the related cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected on the statement of activities and changes in net assets. For financial statement purposes, depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the related depreciable assets. The vehicle is depreciated over the estimated useful live of 7 years.

Functional Expenses

Expenses are summarized and categorized based upon their functional classification as either program, management and general or fundraising. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, the expenses require allocation on a reasonable basis that is consistently applied. The Organization has determined the allocation based on estimates of effort by the Organization; which in turn created a percent allocation that was used to determine the allocation of certain expenses.

Income Taxes

The Organization is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and did not conduct unrelated business activities.

Therefore, the Organization has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509 (a) (2) of the Internal Revenue Code.

The Organization has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service include all tax years since the Organization was founded. However, the Organization is not currently under audit nor has the Organization been contacted by any jurisdiction. Based on the evaluation of the Organization’s tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the years ended December 31, 2024 and 2023.

HOMES FOR HOMES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023

NOTE B – PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following at December 31, 2024 and 2023:

	2024	2023
Vehicle	\$ 35,910	\$ -
Less: accumulated depreciation	(428)	-
Property and equip,ment, net	\$ 35,482	\$ -

Depreciation expense for the years ended December 31, 2024 and 2023 totaled \$428 and \$-0-, respectively.

NOTE C – AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general use because of donor imposed restrictions within one year of December 31, 2024 and 2023.

	2024	2023
Financial assets, at year-end	\$ 868,160	\$ 993,548
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 868,160	\$ 993,548

The Organization is substantially supported by contributions without donor restrictions.. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization’s liquidity management, it sends out cash as the contributions come in and maintains a level of cash related to contributions without donor restrictions.

NOTE D – RISK AND CONCENTRATIONS

The Federal Deposit Insurance Corporation (“FDIC”) provides coverage up to \$250,000 for substantially all depository accounts. At times throughout the year, the Organization may maintain cash balances in certain accounts in excess of FDIC limits. As of December 31, 2024 and 2023, the Organization had \$579,536 and \$683,684, respectively in excess of the FDIC limit.

NOTE E – SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 31, 2025, which is the date the financial statements were available to be issued. There have been no adjustments to the financial statements to include any subsequent transactions or events.