HABITAT FOR HUMANITY BUFFALO, INC.

Financial Statements
as of June 30, 2018
Together with
Independent Auditor's Report

RDG + Partners
ACCOUNTING & CPA SERVICES

INDEPENDENT AUDITOR'S REPORT

January 7, 2018

To the Board of Directors of
Habitat for Humanity Buffalo, Inc.:

We have audited the accompanying financial statements of Habitat for Humanity Buffalo, Inc. (a New York non-profit corporation), which comprise the balance sheet as of June 30, 2018, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity Buffalo, Inc. as of June 30, 2018 and the change in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The financial statements of Habitat for Humanity Buffalo, Inc. as of June 30, 2017, were audited by other auditors whose report dated October 26, 2017, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RDG+Partners CPAs PLLC

Pittsford, New York

HABITAT FOR HUMANITY BUFFALO, INC.

BALANCE SHEET
JUNE 30, 2018
(With Comparative Totals for 2017)

	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 705,139	$ 93,878
Grants receivable	143,197	185,540
Current portion of mortgages receivable	174,860	195,332
Other receivables	43,286	72,878
Prepaid expenses	63,706	15,261
Total current assets	1,130,188	562,889
PROPERTY AND EQUIPMENT, net	447,987	458,521
INVESTMENTS	248,248	230,402
OTHER ASSETS:		
Mortgages receivable, net of current portion	3,085,241	2,943,550
Homes available for sale, net	724,123	852,738
Construction in progress	460,989	282,732
Total other assets	4,270,353	4,079,020
	$ 6,096,776	$ 5,330,832
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 19,829	$ 19,054
Line-of-credit	-	200,000
Accounts payable and accrued expenses	127,089	106,952
Other current liabilities	44,443	49,553
Total current liabilities	191,361	375,559
LONG-TERM DEBT, net of current portion	219,864	238,642
Total liabilities	411,225	614,201
NET ASSETS:		
Unrestricted net assets	5,632,476	4,716,631
Temporarily restricted net assets	53,075	-
Total net assets	5,685,551	4,716,631
	$ 6,096,776	$ 5,330,832

The accompanying notes are an integral part of these statements.

HABITAT FOR HUMANITY BUFFALO, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)

	2018			
	Unrestricted	Temporarily Restricted	Total	2017
SUPPORT:				
House sponsorships	$ 259,015	$ -	$ 259,015	$ 80,000
Fundraising and donations	601,499	-	601,499	450,042
Homebuilding grants	473,949	-	473,949	247,237
Home repair grants	-	79,000	79,000	-
Contributed homes and properties	144,400	-	144,400	-
Contributed materials and services	134,195	-	134,195	162,401
Net assets released from restriction	25,925	(25,925)	-	-
Total support	1,638,983	53,075	1,692,058	939,680
REVENUES:				
Sale of homes	1,112,375	-	1,112,375	484,776
Mortgage discount amortization	400,761	-	400,761	374,405
ReStore income	847,778	-	847,778	724,831
Investment income	12,862	-	12,862	14,177
Miscellaneous income	17,369	-	17,369	5,512
Total revenues	2,391,145	-	2,391,145	1,603,701
Total increases	4,030,128	53,075	4,083,203	2,543,381
EXPENSES:				
Cost of homes sold	936,230	-	936,230	579,839
Discount on mortgages receivable	619,371	-	619,371	319,037
Change in discount on homes available for sale	14,576	-	14,576	55,540
Program services:				
ReStore	511,864	-	511,864	627,507
Construction overhead and other	573,896	-	573,896	868,218
General and administrative	271,053	-	271,053	265,329
Fundraising	187,293	-	187,293	93,239
Total decreases	3,114,283	-	3,114,283	2,808,709
CHANGE IN NET ASSETS	915,845	53,075	968,920	(265,328)
NET ASSETS - beginning of year	4,716,631	-	4,716,631	4,981,959
NET ASSETS - end of year	$ 5,632,476	$ 53,075	$ 5,685,551	$ 4,716,631

The accompanying notes are an integral part of these statements.

HABITAT FOR HUMANITY BUFFALO, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)

	2018						
	Program						
	ReStore	Construction Overhead and Other	Total	General and Administrative	Fundraising	Total	2017
Salaries	$ 269,012	$ 268,834	$ 537,846	$ 98,402	$ 86,006	$ 722,254	$ 916,977
Employee benefits	42,766	27,458	70,224	11,154	14,647	96,025	63,297
Payroll taxes	30,573	38,977	69,550	9,389	7,847	86,786	154,895
Professional fees	12,180	128,214	140,394	27,538	3,129	171,061	116,728
Habitat International - tithe and support fees	-	-	-	72,831	-	72,831	45,649
Occupancy	60,266	-	60,266	7,244	-	67,510	94,557
Fundraising events	-	-	-	-	55,851	55,851	24,286
Insurance	13,661	25,589	39,250	5,823	2,445	47,518	35,422
Depreciation and amortization	24,649	14,881	39,530	4,919	1,450	45,899	47,606
Home repairs	-	25,925	25,925	-	-	25,925	818
Auto	14,125	11,329	25,454	-	194	25,648	36,719
Telephone and internet	7,583	4,914	12,497	6,141	1,520	20,158	13,200
Bank charges	9,945	-	9,945	2,268	4,352	16,565	11,527
Small tools and supplies	2,866	6,314	9,180	5,278	1,170	15,628	51,363
Interest	9,826	-	9,826	3,379	-	13,205	13,791
Dues and subscriptions	172	3,212	3,384	5,742	1,178	10,304	3,437
Purchased materials for resale	8,607	-	8,607	-	-	8,607	4,820
Training and education	1,749	4,324	6,073	1,325	643	8,041	12,440
Volunteer coordination	434	1,129	1,563	602	4,440	6,605	55,685
Mortgage outsourcing fees	-	6,185	6,185	-	-	6,185	35,796
Promotion and public relations	955	1,168	2,123	680	2,282	5,085	16,139
Bad debt expense	-	-	-	216	-	216	280
Unrecoverable construction in progress	-	-	-	-	-	-	74,383
Miscellaneous	2,495	5,443	7,938	8,122	139	16,199	24,478
	$ 511,864	$ 573,896	$ 1,085,760	$ 271,053	$ 187,293	$ 1,544,106	$ 1,854,293

The accompanying notes are an integral part of these statements.

HABITAT FOR HUMANITY BUFFALO, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)

	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	$ 968,920	$ (265,328)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation and amortization	45,899	47,606
Amortization of closing costs	999	999
Discount on mortgages receivable	619,371	319,037
Amortization of discount on mortgages receivable	(400,761)	(374,405)
Contributed homes and properties	(144,400)	-
Contributed materials and services	(134,195)	(162,401)
Change in discount on homes available for sale	14,576	55,540
Change in discount on note payable	755	711
Discount on note receivable	1,575	-
Unrealized loss (gain) on investments	8,031	(7,848)
Unrecoverable construction in progress	-	74,383
Bad debt expense	216	280
Change in:		
Mortgages receivable	(339,829)	88,416
Grants receivable	42,343	(98,540)
Other receivables	27,801	(53,991)
Prepaid expenses	(48,445)	14,748
Homes available for sale	143,060	(536,701)
Construction in progress	71,317	327,562
Accounts payable and accrued expenses	20,137	11,518
Other current liabilities	(5,110)	49,554
Net cash flow from operating activities	892,260	(508,860)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(35,365)	(51,735)
Purchases of investments	(303,664)	-
Sales of investments	277,787	-
Net cash flow from investing activities	(61,242)	(51,735)
CASH FLOW FROM FINANCING ACTIVITIES:		
(Repayments) borrowings on line-of-credit, net	(200,000)	200,000
Repayments of long-term debt	(19,757)	(19,039)
Net cash flow from financing activities	(219,757)	180,961
CHANGE IN CASH AND CASH EQUIVALENTS	611,261	(379,634)
CASH AND CASH EQUIVALENTS - beginning of year	93,878	473,512
CASH AND CASH EQUIVALENTS - end of year	$ 705,139	$ 93,878

The accompanying notes are an integral part of these statements.

1. ORGANIZATION

Habitat for Humanity Buffalo, Inc. (the Organization) is a non-profit corporation formed as an affiliate of Habitat for Humanity International (Habitat International). Habitat International is an ecumenical Christian housing organization that works in partnership with people in need to build and renovate decent, affordable housing in Erie County, New York. This is accomplished by working with these people to build or rehabilitate homes and subsequently providing non-interest-bearing mortgages on these residences.

Homeowner families are selected based on their level of need, willingness to work, acceptance of responsibilities and ability to repay their mortgage. The houses are sold to pre-qualified families under mortgage agreements that bear no interest. Homeowners and volunteers build the houses under trained supervision. Families must complete 500 hours of "sweat equity," which includes attending workshops, working at the Organization's ReStore, and educational achievement. Veteran's Build families must complete 300 hours of "sweat equity."

The Organization operates two Restore locations where they sell new and gently used household items. Proceeds from the sale of goods go directly towards building more houses for low income families in Buffalo, New York.

The Organization is financed by private cash donations from individuals, community groups, corporations, charities, foundations, schools, and religious organizations, as well as grants from public entities. They also receive contributions of construction materials, household items, land, homes, and volunteer labor and professional services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting -

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting -

The Organization categorizes net assets and activities as unrestricted, temporarily restricted, or permanently restricted. At June 30, 2018 and 2017, the Organization reported net assets as follows:

- Unrestricted - Unrestricted net assets include operating resources available for the support of operating activities.

- Temporarily Restricted - Temporarily restricted net assets include resources donated to the Organization subject to time or purpose restrictions as defined by the donor.

- Permanently Restricted - Permanently restricted net assets include resources subject to donor-imposed restrictions that may be maintained permanently by the Organization. There were no permanently restricted net assets at June 30, 2018 or 2017.

Cash and Cash Equivalents -

The Organization's cash and cash equivalents consist of bank deposit and money market accounts. These accounts may, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk with respect to cash and cash equivalents.

Grants Receivable -

Grants receivable consists of amounts awarded by government agencies to the Organization to assist in subsidizing the cost of homebuilding. Grant revenue is earned by the Organization upon the sale of a home. As of June 30, 2018 and 2017, there was $143,197 and $185,540, respectively, of grants that had not been received by the Organization as of year-end. The Organization considers the grants fully collectible, therefore no allowance was considered necessary at either June 30, 2018 or 2017.

Construction in Progress -

Construction in progress consists of homes and other real estate owned by the Organization that are either currently under construction or renovation, or soon will be. These homes are valued at the lower of cost or anticipated sales price.

Homes Available for Sale -

Homes available for sale consist of homes owned by the Organization that are valued at the lower of cost or anticipated sales price. As of the statement of financial position date, these homes are either awaiting closing or the current tenants are in a probationary period prior to being eligible for ownership. The discount on homes available for sale was $70,116 and $55,540 at June 30, 2018 and 2017, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Mortgages Receivable -

The Organization discounts its mortgages receivable. In accordance with instructions from Habitat for Humanity International, Inc., the Organization does not charge interest on the mortgages on houses sold to homeowners. By discounting the mortgages receivable, the Organization records the mortgages at the present value of the note payments to be received in the future. Imputed rates of interest that are used in computing the discount depend on the origination date of the mortgage. The imputed interest rate is provided to the Organization by Habitat for Humanity International, Inc. on June 30th of each year, according to an annual average for buildings placed in service during the period. The difference between the face amount of the mortgage and its present value is accounted for as a discount and charged to expense in the initial year of the mortgage. The discount is then amortized over the life of the mortgage using the straight-line method and is reported as mortgage discount amortization revenue in the statement of activities and change in net assets.

Property and Equipment -

It is the Organization's policy to capitalize property and equipment over $1,000. Purchased property and equipment is stated at cost and depreciated using the straight-line method of respective assets. The assets are depreciated over their estimated useful lives, ranging from five to thirty-nine years. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Support and Revenue -

Contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor.

Grants and other contributions of cash and other assets are reported as temporarily 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Endowment contributions are recorded as permanently restricted. Investment earnings available for distribution are recorded in temporarily restricted net assets until appropriated for use. Investment earnings with donor restrictions are recorded in temporarily or permanently restricted net assets based on the nature of the restrictions. The Organization has not received any endowment contributions.

Contributions of non-cash assets are recorded at their fair market values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement -

The Organization's investments are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

All of the Organization's investments are measured at fair value on a recurring basis utilizing level one inputs, as defined below.

GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under GAAP are described below:

- Level 1 - Valuations based on quoted market prices in active markets for identical assets or liabilities that the Organization has the ability to access.

  All of the Organization's investments are valued utilizing level 1 inputs.

- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

  The Organization has no assets or liabilities that are valued utilizing level 2 inputs.

- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

  The Organization has no assets or liabilities that are valued utilizing level 3 inputs.

Deferred Financing Costs -

Effective July 1, 2017, the Organization changed its method of presentation relating to deferred financing costs in accordance with Financial Accounting Statements Board (FASB) Accounting Standards Update (ASU) 2015-03. Prior to fiscal 2017, the Organization's policy was to present these deferred financing costs as loan acquisition costs on the balance sheet, net of accumulated amortization. Beginning in fiscal 2017, the Organization has presented these fees as a direct deduction to the related note payable.

Deferred financing costs represent costs totaling $9,986 as of both June 30, 2018 and 2017, that were incurred in obtaining financing. The costs are being amortized on a straight-line basis through the maturity date of the related notes payable. Amortization expense is reported as interest expense on the statement of activities and change in net assets. Accumulated amortization of these costs totaled $4,910 and $3,912 at June 30, 2018 and 2017, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes -

The Organization has received a letter of determination from the Internal Revenue Service advising it that it qualifies as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code and, therefore, is not subject to income tax. 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) of the Internal Revenue Code.

Presentation of Sales Tax -

The State of New York, as well as certain counties located in New York State, imposes a sales tax on specific ReStore sales that the Organization has to non-exempt customers. The Organization collects that sales tax from ReStore customers and remits the entire amount to New York State. The Organization's accounting policy is to exclude the tax collected and remitted to New York State from ReStore revenues and expenses.

Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Comparative Information -

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Events Occurring After Reporting Date -

The Organization has evaluated events and transactions that occurred between June 30, 2018 and January 7, 2018, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Reclassifications -

Certain reclassifications were made to the prior-year summarized comparative information to conform with the current year presentation.

3. MORTGAGES RECEIVABLE

Mortgages receivable secured by real estate, due on various dates with no interest, consisted of the following at June 30:

	2018	2017
Mortgages receivable	$ 8,134,482	$ 7,794,654
Discounts on non-interest-bearing notes	(4,874,381)	(4,655,772)
	3,260,101	3,138,882
Less: Current portion	(174,860)	(195,332)
	$ 3,085,241	$ 2,943,550

The following are future maturities of mortgages receivable, net of discount, for the years ending June 30:

	Mortgage	Discount	Net
2019	$ 440,313	$ (265,453)	$ 174,860
2020	429,908	(259,180)	170,728
2021	417,048	(251,427)	165,621
2022	406,303	(244,949)	161,354
2023	390,909	(235,668)	155,241
Thereafter	6,050,001	(3,617,704)	2,432,297
	$ 8,134,482	$ (4,874,381)	$ 3,260,101

4. INVESTMENTS

The following tables set forth by level, within the fair value hierarchy, investments at fair value as of June 30:

2018

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 248,248	$ -	$ -	$ 248,248

2017

	Level 1	Level 2	Level 3	Total
Equities	$ 123,478	$ -	$ -	$ 123,978
Mutual funds	106,924	-	-	106,924
	$ 230,402	$ -	$ -	$ 230,402

4. INVESTMENTS (Continued)

In accordance with GAAP, the Organization includes the change in net unrealized appreciation or depreciation in the statement of activities and change in net assets. A summary of investment income for the years ended June 30, 2018 and 2017 are as follows:

	2018	2017
Dividends and interest	$ 7,049	$ 6,329
Realized gain on sale of investments	13,844	-
Unrealized appreciation (depreciation) in fair value of investments	(8,031)	7,848
Investment income, net	$ 12,862	$ 14,177

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2018	2017
Land	$ 24,366	$ 24,366
Buildings	421,150	387,307
Vehicles	204,122	204,122
Construction equipment	162,229	162,229
Computers and office equipment	37,974	36,452
	849,841	814,476
Less: Accumulated depreciation	(401,854)	(355,955)
	$ 447,987	$ 458,521

6. LINE-OF-CREDIT

The Organization has a line of credit agreement with KeyBank. Under the terms of the agreement, the Organization may borrow up to $350,000. Amounts borrowed bear interest at the prime rate plus .50% (5.50% and 4.75% as of June 30, 2018 and 2017, respectively) and are due on demand. The line-of-credit is secured by substantially all present and future assets of the Organization. No amounts were outstanding at June 30, 2018. There was $200,000 outstanding at June 30, 2017.

7. LONG-TERM DEBT

Long-term debt consisted of the following as of June 30:

	2018	2017
Mortgage payable to a bank requiring monthly payments of $2,257 including interest at 4.25% through June 2023. Any remaining principal and interest is due on July 1, 2023. The mortgage is secured by the real property at 1675 South Park Avenue, Buffalo, New York.	$ 221,786	$ 239,042
Noninterest-bearing note payable requiring annual payments of $2,500 through November 2029. The note is discounted using an imputed interest rate of 3.0%.	22,983	24,728
	244,769	263,770
Less: Unamortized debt issuance costs	(5,076)	(6,074)
Less: Current portion	(19,829)	(19,054)
	$ 219,864	$ 238,642

The carrying value of the noninterest-bearing obligation is shown net of total unamortized discount of $4,517 and $5,272 at June 30, 2018 and 2017, respectively.

Future required payments due under the terms of these notes are as follows for the years ending June 30:

	Amount
2019	$ 19,829
2020	20,668
2021	21,542
2022	22,454
2023	23,405
Thereafter	136,871
	$ 244,769

The Organization paid interest of $12,206 and $12,792 related to the above borrowing agreements during the years ended June 30, 2018 and 2017.

8. RESTRICTIONS ON NET ASSETS

The Organization's net assets are temporarily restricted for critical home repair purposes as June 30, 2018. There were no temporarily restricted net assets at June 30, 2017.

The Organization's net assets were released from restriction for critical home repair purposes during the year ended June 30, 2018. There were no net assets released from restricted during the year ended June 30, 2017.

9. TITHE TO THE HABITAT INTERNATIONAL

The Organization tithes a portion of the non-designated contributions and non-operation income it receives to Habitat International. These funds are used to construct houses in economically depressed areas around the world. The Organization contributed $47,831 and $20,649 for the years ended June 30, 2018 and 2017, respectively. These amounts are included in program services expense in the statements of activities and changes in net assets.

10. COMMITMENTS

The Organization entered into a lease agreement with a third party for operating space for one of its ReStore locations. Monthly payments required under the terms of the lease agreement are approximately $2,600 through September 2020.

The Organization leases solar panels at one of its ReStore locations in an effort to reduce energy costs. The lease agreement requires monthly payments of $100 through April 2028.

Total rent expense related to the above lease agreements was approximately $32,000 and $31,000 for the years ended June 30, 2018 and 2017, respectively.

Future required payments due under the terms of the above lease obligations are as follows for the years ending June 30:

	Amount
2019	$ 32,868
2020	32,868
2021	9,117
2022	1,200
2023	1,200
Thereafter	5,800
	$ 83,053

11. DONATED GOODS AND SERVICES

The Organization values all donations of materials and professional services at fair market value when received. Revenue and expenses related to donated goods and services are recognized at the time such goods are received or services are rendered. Total contributed goods and services were approximately $278,000 and $162,000 for the years ended June 30, 2018 and 2017, respectively.

The Organization also receives a significant amount of donated services from unpaid volunteers who assist in home rehabilitation/construction, fund-raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under generally accepted accounting principles have not been met.

12. EMPLOYEE BENEFIT PLAN

The Organization sponsors a defined contribution plan. All employees are eligible for participation in the plan upon hire, and may voluntarily elect to contribute a percentage of their compensation to the plan, subject to the terms of the plan and certain established federal limitations. The Organization makes no matching or discretionary contributions to the plan at this time.