

Habitat for Humanity of Hillsborough County
Florida, Inc.

DBA Habitat for Humanity of Tampa Bay
Hillsborough

Audited Financial Statements

June 30, 2025 and 2024

Habitat for Humanity of Hillsborough County Florida, Inc. DBA Habitat for Humanity of Tampa Bay Hillsborough

Contents

Independent Auditors' Report	3-5
Financial Statements	
Statements of Financial Position	6
Statements of Activities and Changes in Net Assets	7-8
Statements of Functional Expenses	9-10
Statements of Cash Flows	11-12
Notes to Financial Statements	13-32

Independent Auditors' Report

To the Board of Directors
Habitat for Humanity of Hillsborough County Florida, Inc.
DBA Habitat for Humanity of Tampa Bay Hillsborough

Opinion

We have audited the accompanying financial statements of Habitat for Humanity of Hillsborough County Florida, Inc. DBA Habitat for Humanity of Tampa Bay Hillsborough (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in conformity 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Habitat for Humanity of Hillsborough County Florida, Inc. DBA Habitat for Humanity of Tampa Bay Hillsborough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Habitat for Humanity of Hillsborough County Florida, Inc. DBA Habitat for Humanity of Tampa Bay Hillsborough's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 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 Habitat for Humanity of Hillsborough County Florida, Inc. DBA Habitat for Humanity of Tampa Bay Hillsborough'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 Habitat for Humanity of Hillsborough County Florida, Inc. DBA Habitat for Humanity of Tampa Bay Hillsborough'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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Kelly Partners + FRS, LLC

St. Petersburg, Florida
February 3, 2026

Habitat for Humanity of Hillsborough County Florida, Inc.
DBA Habitat for Humanity of Tampa Bay Hillsborough
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
<u>ASSETS</u>		
Cash and cash equivalents	\$ 705,879	\$ 1,248,828
Investments	1,435,891	2,270,430
Due from related party	580,724	243,447
Unconditional promise to give	30	30
Grants and contributions receivable	1,199,593	992,196
Other receivables	61,001	43,746
Inventory	2,920,089	2,610,336
Assets held in escrow	331,360	276,981
Mortgage notes receivable, net	979,304	1,277,128
Land held for development	4,181,415	2,984,216
Beneficial interest in assets held by foundation	1,403,166	1,275,822
Property and equipment, net	1,531,154	1,674,152
Investment in joint venture	1,207,422	1,219,922
Right of use assets, net		
Financing leases	-	21,068
Operating leases	1,019,432	1,267,598
Intangible assets	42,618	54,794
Other assets	61,993	64,371
Total assets	\$ 17,661,071	\$ 17,525,065
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,687,885	\$ 738,714
Escrow deposits	331,361	277,581
Agency payable	39,189	42,528
Lines of credit	2,150,000	2,350,000
Lease liabilities		
Financing leases	-	23,036
Operating leases	1,032,001	1,281,109
Notes payable	2,959,677	1,999,562
Total liabilities	8,200,113	6,712,530
Net assets		
Without donor restrictions	8,768,069	10,531,519
With donor restrictions	692,889	281,016
Total net assets	9,460,958	10,812,535
Total liabilities and net assets	\$ 17,661,071	\$ 17,525,065

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Statement of Activities

Year ended June 30, 2025 (with comparative totals for 2024)

	Year ended June 30, 2025			
	Without Donor Restrictions	With Donor Restrictions	2025	2024
SUPPORT AND REVENUE				
Contributions				
Cash	\$ 1,291,391	\$ 526,290	\$ 1,817,681	\$ 2,398,073
Nonfinancial assets, donated lots	-	-	-	465,117
Other nonfinancial assets	501,287	360	501,647	461,596
Transfers to homeowners	1,889,000	-	1,889,000	5,012,500
Sales - Habitat ReStore	2,694,204	-	2,694,204	2,320,622
Foundations and grants	1,251,443	166,239	1,417,682	2,526,942
Fundraising events, net of direct costs of \$57,310 and \$60,682, respectively	60,894	-	60,894	69,199
Other	816,207	-	816,207	588,803
	8,504,426	692,889	9,197,315	13,842,852
Net assets released from restrictions	281,016	(281,016)	-	-
Total support and revenue	8,785,442	411,873	9,197,315	13,842,852
EXPENSES				
Program services				
Rehab/Construction	4,863,088	-	4,863,088	8,165,319
Homeowner services	1,191,627	-	1,191,627	938,154
Habitat ReStore	3,463,810	-	3,463,810	2,899,686
Supporting services				
Management and general	876,243	-	876,243	968,472
Fundraising	763,545	-	763,545	483,801
Total expenses	11,158,313	-	11,158,313	13,455,432
Change in Net Assets before Other Changes	(2,372,871)	411,873	(1,960,998)	387,420
Other changes - revenue (expense)				
Investment gain	295,688	-	295,688	302,715
Interest expense	(171,290)	-	(171,290)	(183,496)
Mortgage discount - net of amortization	501,489	-	501,489	(766,565)
Loss on sale of mortgages	(16,466)	-	(16,466)	-
Total other changes	609,421	-	609,421	(647,346)
Change in net assets	(1,763,450)	411,873	(1,351,577)	(259,926)
Net assets, beginning of year	10,531,519	281,016	10,812,535	11,072,461
Net assets, end of year	\$ 8,768,069	\$ 692,889	\$ 9,460,958	\$ 10,812,535

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Statement of Activities

Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions			
Cash	\$ 2,117,057	\$ 281,016	\$ 2,398,073
Nonfinancial assets, donated lots	465,117	-	465,117
Other nonfinancial assets	461,596	-	461,596
Transfers to homeowners	5,012,500	-	5,012,500
Sales - Habitat ReStore	2,320,622	-	2,320,622
Foundations and grants	2,526,942	-	2,526,942
Fundraising events	69,199	-	69,199
Other	588,803	-	588,803
	13,561,836	281,016	13,842,852
Net assets released from restrictions	149,873	(149,873)	-
Total support and revenue	13,711,709	131,143	13,842,852
EXPENSES			
Program services			
Rehab/Construction	8,165,319	-	8,165,319
Homeowner services	938,154	-	938,154
Habitat ReStore	2,899,686	-	2,899,686
Supporting services			
Management and general	968,472	-	968,472
Fundraising	483,801	-	483,801
	13,455,432	-	13,455,432
Change in net assets before other changes	256,277	131,143	387,420
Other changes - revenue (expense)			
Investment gain	302,715	-	302,715
Interest expense	(183,496)	-	(183,496)
Mortgage discount	(766,565)	-	(766,565)
Gain on sale of mortgages	-	-	-
Total other changes	(647,346)	-	(647,346)
Change in net assets	(391,069)	131,143	(259,926)
Net assets, beginning of year	10,922,588	149,873	11,072,461
Net assets, end of year	\$ 10,531,519	\$ 281,016	\$ 10,812,535

Habitat for Humanity of Hillsborough County Florida, Inc.
DBA Habitat for Humanity of Tampa Bay Hillsborough
Statement of Functional Expenses
Year ended June 30, 2025 (with comparative totals for 2024)

	Program Services				Supporting Services			2025 Total	2024 Summarized Totals
	Rehab/ Construction	Homeowner Services	ReStore	Total Program Services	Fundraising	Management and General	Total Supporting Services		
Personnel expenses	\$ 1,932,052	\$ 917,254	\$ 1,724,676	\$ 4,573,982	\$ 186,531	\$ 212,610	\$ 399,141	\$ 4,973,123	\$ 4,417,942
Other expenses									
Admin and general	162,186	227,788	274,914	664,888	374,288	448,139	822,427	1,487,315	1,155,711
Cost of home/land sales	2,283,007	-	-	2,283,007	-	-	-	2,283,007	6,114,267
Facilities	85,005	5,084	788,331	878,420	6,469	102,672	109,141	987,561	610,497
Cost of Goods Sold - ReStore	-	-	435,928	435,928	-	-	-	435,928	234,947
Home rehabilitation	361,552	-	-	361,552	-	-	-	361,552	295,990
Other	16,323	39,301	83,347	138,971	192,569	88,193	280,762	419,733	492,819
Total expenses before other non-cash items	4,840,125	1,189,427	3,307,196	9,336,748	759,857	851,614	1,611,471	10,948,219	13,322,173
Depreciation	22,963	2,200	135,546	160,709	3,688	12,453	16,141	176,850	88,497
Amortization	-	-	21,068	21,068	-	12,176	12,176	33,244	44,762
Total expenses	\$ 4,863,088	\$ 1,191,627	\$ 3,463,810	\$ 9,518,525	\$ 763,545	\$ 876,243	\$ 1,639,788	\$ 11,158,313	\$ 13,455,432

Habitat for Humanity of Hillsborough County Florida, Inc.
DBA Habitat for Humanity of Tampa Bay Hillsborough
Statement of Functional Expenses
Year ended June 30, 2024

	Program Services				Supporting Services			
	Rehab/ Construction	Homeowner Services	Habitat ReStore	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Personnel expenses	\$ 1,525,301	\$ 753,011	\$ 1,667,992	\$ 3,946,304	\$ 273,940	\$ 197,698	\$ 471,638	\$ 4,417,942
Other expenses								
Admin and general	165,233	178,586	283,182	627,001	183,142	345,568	528,710	1,155,711
Cost of home/land sales	6,114,267	-	-	6,114,267	-	-	-	6,114,267
Facilities	29,976	4,055	474,171	508,202	6,848	95,447	102,295	610,497
Cost of Goods Sold - ReStore	-	-	234,947	234,947	-	-	-	234,947
Home rehabilitation	295,990	-	-	295,990	-	-	-	295,990
Other	23,977	-	144,423	168,400	16,383	308,036	324,419	492,819
Total expenses before other non-cash items	8,154,744	935,652	2,804,715	11,895,111	480,313	946,749	1,427,062	13,322,173
Depreciation	10,575	2,502	62,385	75,462	3,488	9,547	13,035	88,497
Amortization	-	-	32,586	32,586	-	12,176	12,176	44,762
Total expenses	\$ 8,165,319	\$ 938,154	\$ 2,899,686	\$ 12,003,159	\$ 483,801	\$ 968,472	\$ 1,452,273	\$ 13,455,432

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Statements of Cash Flows

Years ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ (1,351,577)	\$ (259,926)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Realized and unrealized gain on investments	(77,488)	(277,512)
Loss on sale of property and equipment	101,790	-
Donated land for development	-	(465,117)
Credit loss (recovery) expense	(184)	14,546
Mortgage discount (income) amortization	(501,488)	766,566
Depreciation and amortization	189,026	101,503
Amortization - Finance ROU assets	21,068	32,586
Amortization - Operating ROU assets	248,166	95,051
(Increase) decrease in assets:		
Due from related party	(337,277)	6,553
Unconditional promises to give	-	10,574
Grants and contributions receivable	(207,397)	(769,631)
Other receivables	(17,255)	(789)
Inventory	(309,753)	1,077,120
Assets held in escrow	(54,379)	(33,421)
Mortgages receivable	799,496	(1,394,096)
Beneficial interest in assets held by foundation	-	792,699
Land held for development	(1,197,199)	(510,331)
Other assets	2,378	24,900
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	949,171	25,171
Contract liabilities	-	(312,629)
Escrow deposits	53,780	34,021
Agency payable	(3,339)	(5,922)
Lease liabilities	(272,144)	(123,803)
Net cash used in operating activities	(1,964,605)	(1,171,887)
Cash flows from investing activities:		
Purchases of investments	(823,722)	(926,290)
Proceeds from sales of investments	1,608,405	905,873
Acquisition of property and equipment	(135,642)	(445,467)
Net cash provided by (used) in investing activities	649,041	(465,884)
Cash flows from financing activities:		
Transaction - NMTC	12,500	12,501
Proceeds from notes payable	1,236,000	70,000
Lines of credit, net	(200,000)	1,750,000
Payments on notes payable	(275,885)	(1,036,444)
Net cash provided by financing activities	772,615	796,057
Net change in cash	(542,949)	(841,714)
Cash and cash equivalents, beginning of year	1,248,828	2,090,542
Cash and cash equivalents, end of year	\$ 705,879	\$ 1,248,828

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Statements of Cash Flows (continued)

Years ended June 30, 2025 and 2024

	2025	2024
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for:		
Interest	\$ 171,290	\$ 183,496
Non-cash investing and financing activities:		
Transfer of property to homeowners	\$ 1,889,000	\$ 5,012,500
Donations of nonfinancial assets	501,647	461,596
Donated lots	-	465,117

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

1. Organization and Operations

Habitat for Humanity International, Inc. ("HFHI") was founded in 1976 by Millard and Linda Fuller. The concept of Habitat for Humanity is that each Habitat Affiliate and those in need of adequate shelter would work side-by-side with volunteers to build affordable, decent homes. Habitat for Humanity of Hillsborough County Florida, Inc. DBA Habitat for Humanity of Tampa Bay Hillsborough ("Habitat" or the "Organization") became an Affiliate in 1987 and is a tax-exempt Not-for-Profit organization. Seeking to put God's love into action, Habitat brings people together to build homes, communities, and hope.

The Organization's Program Services include its home construction program, homeowner service programs and thrift retail operations (DBA the ReStore), all of which are provided principally to residents in Hillsborough County.

2. Significant Accounting Policies

Basis of Accounting

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

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. The financial statements include the accounts of the Organization. The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- ***Net assets without donor restrictions*** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for various reasons.
- ***Net assets with donor restrictions*** – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as other changes in net assets without donor restrictions unless their use is restricted by explicit donor-stipulation or by law. Expirations of net assets with donor

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

restrictions are reported as reclassifications between the applicable classes of net assets. Donor-restricted contributions are recorded as activity of net assets with donor restrictions and a release of restriction when the restriction is met.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with financial institutions. The Organization considers all highly liquid instruments with initial maturity of three months or less as cash equivalents.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash held in financial institutions in excess of federally insured limits. From time to time the Organization's cash balances may have exceeded the federally insured limits. The Organization has not experienced any losses on such accounts, and by managing the deposit concentration risk by placing cash with credit-worthy financial institutions, management believes it is not exposed to any significant risk on bank deposit accounts.

Investments

Investment purchases are initially recorded at cost, or, if contributed to the Organization, at their fair values on the date of contribution. Investments are reported at their fair values in the statements of financial position, and unrealized gains and losses are included in the statements of activities. Investment gain (loss) consists of the Organization's interest and dividend income and realized and unrealized gains and losses, less investment management and custodial fees. Investment gain (loss) also includes the change in value of beneficial interest in assets held by foundations.

Contributions and Unconditional Promises

Contributions and unconditional promises to give are measured at their fair values and are reported as an increase in net assets when received. Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire or are otherwise satisfied in the fiscal year in which the contributions are recognized.

Amounts restricted for future periods or restricted for specific purposes are reported as net assets with donor restrictions. When a donor-stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified to net assets without donor restrictions

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

and reported as satisfactions of program restrictions and net assets released. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

Other Receivables

Other receivables consist primarily of closing costs and escrow funds due from homeowners.

Inventory

ReStore inventory includes donated and purchased household building materials, appliances, and furniture that are sold at the Habitat Restores. With few exceptions, the donated items are used, resulting in an undeterminable net realizable value. For those items, inventory is not recorded. Purchased merchandise is stated at lower of cost or net realizable value, with cost being determined by the first-in, first-out method.

The Organization's inventory includes homes under construction, consisting of labor, material, and lot costs using the specific identification method. The Organization's inventory also includes indirect construction costs incurred during the construction period. The Organization transferred 7 homes to homeowners in 2025 and 20 homes in 2024.

Assets Held in Escrow

The Organization currently services some of the mortgage notes on certain homes it sells. Some are serviced by Amerinat, a third party servicer. Included in assets held in escrow are cash amounts received for insurance and property taxes on such homes. These cash amounts are recorded as an asset, which is offset by a related liability.

Mortgages Receivable

Mortgages receivable consist predominantly of non-interest bearing residential first mortgages secured by real estate and payable in monthly installments over the life of the mortgage, generally over 30 years. All of the mortgages are related to new construction or the rehabilitation of existing homes rehabilitated by the Organization. These mortgages receivable are shown on the statement of financial position discounted by the average commitment rate per the Freddie Mac Primary Mortgage Market Survey prevailing interest rates at the inception of each mortgage.

In addition to the mortgages receivable included in the statement of financial position, the Organization also enters into equity creation agreements with certain homebuyers. These equity creation agreements known as a "silent second mortgage" originate at the same time of the first mortgage and reflect the difference between the purchase price and the fair market value of the house. This equity creation agreement is part of the mortgage document and is executed for protection against homeowners who may sell their house for a profit before the mortgage is repaid

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

and to protect the homeowner by preventing predatory lenders from paying off the first mortgage and saddling the homeowners with an onerous new mortgage. This amount is considered forgiven by the mortgagee over the life of the mortgage and the mortgagor agrees that the remaining balance is secured by the mortgage until forgiven in full. The Organization does not record a value for the equity creation agreements as it is unlikely that the amount will ever be collected.

The Organization uses established underwriting criteria to ensure that only applicants who meet the Organization's financial and credit criteria are approved to be partner homeowners and receive a non-interest bearing mortgage loan from the Organization. This includes, but is not limited to, a thorough review of each prospective homeowner's credit report, sources of income, and financial history. The Organization regularly reviews its mortgages receivable and monitors the accounts for delinquencies.

The Organization, through their mortgage servicing agent, has documented delinquency procedures that are followed starting five days after the payment due date. Once a payment is 45 days or more delinquent, the servicing agent will send a letter that will include the Consumer Financial Protection Bureau mandated notification informing the borrower of the available loss mitigation options. If the homeowner does not cure the default within 90 days, foreclosure proceedings may be initiated.

Non-interest bearing mortgages originated are discounted based on prevailing market rates at the time of the sale, which results in the net mortgage receivable balances being generally less than 50% of the home's fair market value. Based upon this and upon historical losses, adjusted for current economic conditions and reasonable and supportable forecasts, credit losses over the life of the mortgage are expected to be insignificant. Accordingly, no provision for credit losses has been included in the financial statements.

Land Held for Development

Land held for development includes the cost of land and improvements to land or, if donated, the approximate fair value of the land at the date of the donation, held for future construction of homes.

Beneficial Interest in Assets Held by Foundation

The beneficial interest in assets held by foundation is recorded at fair value in the statement of financial position. Changes in the fair value of the beneficial interest in assets held by foundation are recorded as investment income in the statement of activities and changes in net assets.

Fair Value of Financial Instruments

The Organization measures beneficial interest in assets held by foundation at fair value on a recurring basis (at least annually). The Organization follows accounting guidance, which defines

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

fair value and specifies a hierarchy of valuation techniques used to measure fair value. The disclosure of fair value estimates is based on whether the significant inputs into the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs. The following is a brief description of the type of valuation information (inputs) that qualifies a financial asset for each level:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets which are accessible by the Organization.
- Level 2 Observable prices in active markets for similar assets or liabilities. Prices for identical or similar assets or liabilities in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.
- Level 3 Unobservable inputs based on the Organization's own judgment as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

Property and Equipment

Property and equipment are recorded at cost or, if donated, the estimated fair value at the date of donation. The Organization has a policy of capitalizing expenditures for property and equipment when the asset has a useful life beyond one year or when the expenditure extends the useful life of an existing asset. Depreciation is provided using the straight-line method over the estimated useful lives of assets which range from 3 to 39 years. If donors stipulate how long the assets must be used or restrict the use of such assets for a specific purpose, the contributions are recorded as assets with donor restrictions. In the absence of such stipulations, gifts of property are recorded as assets without donor restrictions.

Impairment on Long-Lived Assets

The Organization's long-lived assets, such as land, building, and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount exceeds the fair value of the asset.

Assets to be disposed of would be separately presented in the statements of financial position and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposal group classified as held for sale would be

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

presented separately in the appropriate asset and liability sections of the statement of financial position. The Organization recognized no impairment for the years ended June 30, 2025 and 2024.

Right of Use Asset and Lease Liability

Right of use assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right of use assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

Investment in Joint Venture

The investment in joint venture included on the statements of financial position includes investments from participation in one New Markets Tax Credits (the "NMTC") program. The NMTC program was established as part of the Community Renewal Tax Relief Act of 2000. The goal of the NMTC program is to spur revitalization efforts of low-income and impoverished communities across the United States and its Territories by providing tax credit incentives to investors in a certified community development entity (the "CDE"). The tax credit for investors equals 39% of the investment, which is credited over a seven-year period. A CDE is required to participate and has the primary mission of providing financing for revitalization projects in low-income communities.

In November 2021, the Organization invested, along with numerous other Habitat affiliates, in HFHI NMTC Leverage Lender 2021, LLC with 17.65% ownership, to take advantage of the NMTC financing. NMTC financing allows an entity to receive a loan or investment capital outside from investors, who will receive new market tax credits to be applied against their federal tax liability.

The Organization invested \$100,000 in the joint venture, the investment was made utilizing the Organization's cash. The Organization secured two 30-year loans in the amount of \$1,297,551 and \$396,767 payable to HFHI NMTC Sub-CDE IV, LLC and NMTC Sub-CDE V, LLC, respectively (see Note 10 for additional information). The loan proceeds will be used solely for the purpose of constructing and selling qualified housing properties to low income residents subject to certain conditions.

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

The following is a summary of the activity of the investment in joint venture for the years ended June 30, 2025 and 2024:

	2025	2024
Beginning balance	\$ 1,219,922	\$ 1,232,423
Distribution activity	(12,500)	(12,500)
Ending balance	\$ 1,207,422	\$ 1,219,922

Intangible Assets

Intangible assets consist of an Affiliate Guaranty Fee (representing compliance and servicing fees relating to the NMTC project). The intangible asset is amortized over 84 months.

Other Assets

Other assets consist mainly of prepaid expenses and refundable deposits.

Revenue Recognition

The Organization first determines if a transaction represents an exchange transaction and if so, accounts for the transaction in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers (Topic 606)*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The Organization's activities are primarily supported through sales of homes, contributions from individual, corporate, and foundation donors, store product sales, grants, and fundraising activities.

The Organization did not have any impairment or credit losses on any receivables or contract assets arising from contracts with customers. There are also no incremental costs of obtaining a contract and no significant financing components. Finally, there are no significant changes in the judgments affecting the determination of the amount and timing of revenue from contracts with customers.

Contributions

Contributions represent a nonreciprocal transfer and do not represent the sale of goods or services. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, or when a pledge becomes due, net assets with donor restrictions are reclassified to net assets without donor restrictions. Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated cash flows. Conditional promises to give are not included as support until the conditions are substantially met.

The Organization uses the allowance method to determine uncollectible unconditional promises. The allowance is based on prior years' experience and management's analysis of specific promises made.

Transfers to Homeowners

The Organization recognizes revenue from home sales when a closing occurs. A closing is considered to occur, and performance obligation satisfied when title, possession, and other attributes of ownership have been transferred to the buyer; and the Organization is not obligated to perform significant activities after the sale. Revenue from the sale of homes is recorded on the statement of activities as transfers to homeowners. Transfers to homeowners are recorded at the gross mortgage amount plus down payment received.

Non-interest bearing mortgages have been discounted based upon the average commitment rate per the Freddie Mac Primary Mortgage Market Survey. Utilizing the effective interest method, this discount will be recognized as mortgage discount amortization income over the term of the mortgage.

Habitat ReStore Sales

Habitat ReStore sales are recognized as revenue at the time merchandise is transferred to the customer, the single performance obligation. Historically, sales returns have not been significant.

Federal, State, and Local Government Grants

The Organization receives awards from government agencies. Such award instruments are to be used for specific programs in accordance with compliance requirements. These grants are considered conditional contributions and the recognition of grant revenue is deferred until barriers imposed under the grant document are met by the Organization. Revenue is recognized as the related qualifying expenses are incurred as allowable by the grants.

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

Sales of Mortgages

The Organization accounts for sales of mortgages receivable under FASB ASC 860- 20, *Sales of Financial Assets*. Gain on sale of loans sold are recognized when the loans are sold and include cash from any sale and the write off of any discounts on the mortgage.

Contributed Nonfinancial Assets

Contributed nonfinancial assets include donated services, materials, and land which are recorded as with donor restrictions or without donor restrictions, depending on the existence or nature of any donor restrictions. These are reflected in the statements of activities, at their estimated fair market values at the date of receipt. Contributions of services are recorded if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, however, the financial statements do not reflect the value of the contributed services because they do not meet the recognition criteria prescribed by general accepted accounting principles. During the years ended June 30, 2025 and 2024, the Organization recorded donation revenue of \$501,647 and \$461,596, respectively, related to donations of building materials and services. During the years ended June 30, 2025 and 2024, the Organization received \$0 and \$465,117, respectively, in donated lots from various financial institutions and donors recorded at their appraised value which approximates fair value.

Advertising Costs

Advertising costs are expensed as incurred and were \$77,368 and \$100,775 for the years ended June 30, 2025 and 2024, respectively.

Functional Expenses

The costs of providing the programs and supporting services have been reported on a functional basis in the statements of functional expenses. Certain direct, indirect, and administrative expenses are incurred which benefit more than one program. The Organization, therefore, allocates these expenses accordingly using time charged to employees and other various methods.

Income Tax Status

Habitat is organized as a not-for-profit organization under the laws of the State of Florida and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and corresponding Florida provisions. Accordingly, no provision for income taxes is reflected in the financial statements. The Organization follows the guidance of Accounting Standards Codification ("ASC") 740, *Income Taxes*, related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. There are no such uncertain tax positions for the Organization for the year ended June 30, 2025. The Organization is not currently under examination by any taxing jurisdiction. The

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

Organization's federal returns are generally open for examination for three years following the date filed.

3. Inventory

Inventory consists of the following as of June 30:

	2025	2024
Construction in process	\$ 2,506,953	\$ 2,264,188
ReStore inventory	413,136	346,148
Total inventory	\$ 2,920,089	\$ 2,610,336

4. Mortgage Notes Receivable

The initial amount of each mortgage loan approximates the appraised value of the house, plus mortgage discount expense. The notes on these mortgages are non- interest bearing, payable in equal monthly installments, and are secured by deeds of trust on the properties. The payments collected on these mortgages are used to help fund future home construction. The notes have been discounted using the average commitment rate per the Freddie Mac Primary Mortgage Market Survey prevailing interest rates at the inception of each mortgage using the effective interest method over the lives of the mortgages. The interest rates used to determine the discount range from 2.67% to 6.88% with an average rate of 5.10%. As mortgage payments are made, the Organization recognizes the amortization of the discount as revenue.

Mortgages receivable consist of the following at June 30:

	2025	2024
Non-interest bearing loans at face value	\$ 1,634,341	\$ 2,433,653
Less: discount based on imputed interest	(655,037)	(1,156,525)
Mortgages receivable, net	\$ 979,304	\$ 1,277,128

The resulting carrying value of the mortgages approximates fair value. The notes are due upon the earlier of the sale of the home, refinance or at maturity. Based upon historical losses on mortgages adjusted for current economic conditions and reasonable and supportable forecasts, credit losses over the life of the mortgage are expected to be insignificant. In addition, mortgage notes are secured by the related property and accordingly, no provision for credit losses has been included in the financial statements.

As of June 30, 2025, \$478,507 of net mortgages receivable were delinquent. Included in this amount were three mortgages receivable under formal foreclosure proceedings, representing net mortgages receivable of \$165,650 as of June 30, 2025.

Through relationships forged with local financial institutions, the Organization has the ability to sell individually identified mortgages receivable to regulated financial institutions. Amerinat

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

continues to service these mortgages by collecting payments from homeowners on behalf of the purchasing financial institutions. Homeowner payments are remitted by the Organization to the purchasing financial institutions in arrears. Accordingly, the Organization has reported an agency payable liability in the amount of \$39,189 and \$42,528 as of June 30, 2025 and 2024, respectively. This reflects the homeowner payments held by the Organization that must be subsequently remitted to the purchasing financial institutions. For the years ended June 30, 2025 and 2024, Habitat sold 16 and 26 of its mortgages, respectively. For the years ended June 30, 2025 and 2024, Habitat repurchased three and two of its mortgages, respectively.

As of June 30, 2025, the balances due on the mortgages held by the Organization that are scheduled to be received for the next five years and thereafter are as follows:

Year ending June 30,	Amount
2026	\$ 70,031
2027	69,683
2028	69,214
2029	69,214
2030	69,214
Thereafter	1,286,985
	\$ 1,634,341

5. Property and Equipment

Property and equipment consists of the following at June 30:

	2025	2024
Building	\$ 1,185,570	\$ 1,163,930
Land	479,257	579,050
Leasehold improvements	472,117	396,728
Automobile	103,702	111,910
Equipment	146,267	144,581
Office equipment	105,319	106,783
	2,492,232	2,502,982
Less: accumulated depreciation	(961,078)	(828,830)
Property and equipment, net	\$ 1,531,154	\$ 1,674,152

Depreciation expense, which includes the amortization of leasehold improvements, was \$176,850 and \$88,497 for the year ended June 30, 2025 and 2024, respectively.

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

6. Nature of Leases

The Organization has entered into the following lease arrangements:

Finance Leases

These leases consist of vehicles for the use of operations. Termination of the leases generally are prohibited unless there is a violation under the lease agreement.

Operating Leases

The Organization has leases for each of the two offices plus one store under various operating lease agreements. The operating leases include an escalating fee schedule with a 3% increase for specific years. Termination of the leases is generally prohibited unless there is a violation under the lease agreements. Variable lease costs under these operating leases include common area maintenance expenses and taxes. Short term lease costs include non-financed vehicles, storage fees, copier, and month to month building rent.

The Organization's lease costs recognized in the Statement of Activities consists of the following:

<i>Year ended June 30,</i>	2025	2024
Operating lease costs	\$ 339,534	\$134,052
Variable lease costs	255,481	35,731
Short term lease costs	60,638	137,901
Financing lease costs:		
Amortization of right-of-use assets	21,068	32,586
Interest on lease liabilities	473	1,780
Total finance lease costs	\$ 21,541	\$ 34,366

Other lease information is as follows:

<i>Weighted average remaining lease term,</i>	2025	2024
Operating lease	4.54 years	3.75 years
Finance lease	0 years	.88 years
<i>Weighted average discount rate</i>	2025	2024
Operating lease	7.84%	7.82%
Finance lease	0%	4.30%

	2025	2024
Operating right of use assets obtained in exchange for new operating lease liabilities	\$ -	\$1,127,475

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

The following is a schedule by years of the future minimum lease payments for operating leases as of June 30, 2025:

Year ending June 30,	Operating Amounts
2026	\$ 342,408
2027	344,406
2028	293,088
2029	206,861
Total lease payments	\$ 1,186,763
Less imputed interest	(154,762)
Future maturity of lease liability	\$ 1,032,001

7. Liquidity and Availability of Financial Assets

The Organization's management monitors its liquidity so that it is able to cover operating expenses. Management budgets for such costs based on the prior year actual expenses and anticipated future expenses. Budgets are approved by the board of directors before the beginning of the next fiscal year.

The following represents the Organization's financial assets available to meet general expenditures over the next 12 months at June 30:

	2025	2024
Cash and cash equivalents and investments	\$ 2,138,619	\$ 3,519,258
Due from related party	580,724	243,447
Unconditional promise to give	30	30
Grants and contributions receivable	1,199,593	992,196
Other receivables	61,001	43,746
Total financial assets	\$ 3,979,967	\$ 4,798,677

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization expects to cover operating expenses through contributions, home sales, ReStore sales and available cash. To help manage unanticipated liquidity needs, the Organization has lines of credit available in the amount of \$3,400,000, with \$1,250,000 of additional borrowing ability as of June 30, 2025, which Habitat could draw upon for additional liquidity, if necessary. Lines of credit are discussed in Note 11.

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

8. Beneficial Interest in Assets Held by Foundation

The Organization established a fund within the Community Foundation of Tampa Bay (CFTB). This fund is the Habitat for Humanity of Hillsborough County New Endowment Fund, an agency reserve fund. This fund is used to hold the Organization's endowment and reserve funds. The assets are composed of cash and cash equivalents, fixed income, equity securities, and real and tangible asset funds. The portfolio is managed by an investment company with oversight by CFTB. The balance in this fund as of June 30, 2025 and 2024 amounted to \$1,403,166 and \$1,275,822, respectively.

In addition to the agency reserve fund disclosed above, the CFTB holds additional funds designated as benefiting the Organization. The CFTB has variance power over these funds, which allows the CFTB to modify any restrictions on the funds, including re-designating the funds to another beneficiary organization, as determined by the sole judgment of the CFTB's governing board. As a result, these funds are not considered assets of the Organization and are not included in the Organization's financial statements.

9. Fair Value Measurement

The Organization's investments are reported at fair value in the statement of financial position. Following is a description of the valuation methodologies used for investments that are measured at fair value.

Beneficial interest in assets held by foundations – the investments are managed by a third party unrelated to the Organization. The assets are valued based upon the third party information without adjustment. The Organization does not develop, nor are they provided with, the quantitative inputs used to develop the fair market values.

Fair value of assets measured on a recurring basis at June 30, 2025 and 2024 are as follows:

	June 30, 2025			
	Total	Level 1	Level 2	Level 3
Investments				
Cash and cash equivalents	\$ 41,366	\$ 41,366	\$ –	\$ –
Fixed income	237,598	237,598	–	–
Equities	378,329	378,329	–	–
Mutual funds	778,598	778,598	–	–
	<u>\$1,435,891</u>	<u>\$1,435,891</u>	<u>\$ –</u>	<u>\$ –</u>
Beneficial interest in assets held by foundations	\$1,403,166	\$ –	\$ –	\$1,403,166

Habitat for Humanity of Hillsborough County Florida, Inc.
DBA Habitat for Humanity of Tampa Bay Hillsborough
Notes to Financial Statements
June 30, 2025 and 2024

	June 30, 2024			
	Total	Level 1	Level 2	Level 3
Investments				
Cash and cash equivalents	\$ 155,813	\$ 155,813	\$ —	\$ —
Fixed income	224,535	224,535	—	—
Equities	349,148	349,148	—	—
Mutual funds	1,540,934	1,540,934	—	—
	\$2,270,430	\$2,270,430	\$ —	\$ —
Beneficial interest in assets held by foundations	\$1,275,822	\$ —	\$ —	\$1,275,822

Below is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2025 and 2024.

	Beneficial interest in assets held by foundations
Balance at June 30, 2023	1,942,008
Change in value	126,513
Distributions	(792,699)
Balance at June 30, 2024	1,275,822
Change in value	127,344
Distributions	-
Balance at June 30, 2025	\$1,403,166

10. Notes Payable

Notes payable consists of the following as of June 30:

	2025	2024
Notes payable to Habitat International as part of the SHOP 2016 grant with total monthly payments ranging from \$78 to \$252 at 0% interest, maturing between June 2024 and December 2024.	\$ —	\$ 162
Note payable to Habitat International as part of the SHOP 2017 grant with total monthly payments of \$458 at 0% interest, maturing January 2026.	8,260	13,756

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

Note payable to Habitat International as part of the SHOP 2018 grant with total monthly payments of \$437 at 0% interest, maturing July 2026.	10,512	15,755
Note payable to Habitat International as part of the SHOP 2018 grant with total monthly payments of \$458 at 0% interest, maturing January 2029.	19,269	22,018
Note payable to Habitat International as part of the SHOP 2019 grant with total monthly payments of \$338 at 0% interest, maturing December 2026.	10,166	14,222
Note payable to Habitat International as part of the SHOP 2020 grant with total monthly payments of \$520 at 0% interest, maturing December 2027.	18,760	25,000
Note payable to Habitat International as part of the SHOP 2020 grant with total monthly payments of \$781 at 0% interest, maturing January 2030.	37,500	37,500
Note payable to Habitat International as part of the SHOP 2021 grant with total monthly payments of \$338 at 0% interest, maturing July 2030.	16,250	16,250
Note payable to Habitat International as part of the SHOP 2021 grant with total monthly payments of \$338 at 0% interest, maturing July 2031.	16,250	16,250
Note payable to Habitat International as part of the SHOP 2022 grant with total monthly payments of \$750 at 0% interest, maturing January 2032.	36,000	-
Note payable in monthly payments of interest only at 2.75% until maturity in March 2025 when all principal and accrued interest is due. Secured by mortgage on real property and personal property.	-	256,000

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

Note payable in monthly payments of interest only at .738% until November 5, 2029 when monthly payments of principal and interest of \$62,289 begin. This loan matures in November 2050, is secured by real property and relates to the NMTC program.	1,297,550	1,297,550
Note payable in monthly payments of interest only at .738% until November 5, 2029 when monthly payments of principal and interest of \$6,921 begin. This loan matures in November 2050, is secured by real property and relates to the NMTC program.	396,767	396,767
Note payable to Habitat International in quarterly payments of interest only at 5.25% until maturity in June 2028 when all principal and accrued interest is due. Secured by mortgage on real property and personal property.	1,200,000	-
Less unamortized structuring fee and closing costs	(107,608)	(111,668)
Total notes payable	\$2,959,677	\$1,999,562

Future maturities of notes payable at June 30, 2025 are as follows:

Year ending June 30,	Amount
2026	\$ 27,158
2027	31,190
2028	1,234,200
2029	25,206
2030	139,156
Thereafter	1,502,767
Total	\$ 2,959,677

11. Lines of Credit

As of June 30, 2025, total borrowing availability was \$3,400,000 with \$2,150,000 outstanding and payable under lines of credit. Lines of credit are summarized below:

On June 21, 2019, the Organization entered into a line of credit with Seacoast Bank in the amount of \$500,000 with annual renewal at the discretion of the bank. The facility bears a variable interest rate – the Prime Rate as published by the Wall Street Journal plus one half of a percentage point,

Habitat for Humanity of Hillsborough County Florida, Inc.
DBA Habitat for Humanity of Tampa Bay Hillsborough
Notes to Financial Statements
June 30, 2025 and 2024

(8.00% as of June 30, 2025), with a minimum rate of 4%. As of June 30, 2025 and 2024, there was no outstanding balance on this line of credit.

On September 16, 2021, the Organization entered into a line of credit with Republic Bank in the amount of \$500,000. This line of credit carries a variable interest rate and matures on March 14, 2026. As of June 30, 2025 and 2024, the outstanding balance on this line of credit is \$500,000 and \$500,000, respectively.

On July 23, 2020, the Organization entered into a line of credit with TD Bank in the amount of \$150,000 with an annual renewal at discretion of the bank. The facility bears a variable interest rate—Prime Rate as published by the Wall Street Journal plus 1.24%, (8.74% as of June 30, 2025). As of June 30, 2025 and 2024, there was \$150,000 and \$0, respectively.

On April 21, 2021, the Organization entered into a line of credit with SouthState Bank in the amount of \$250,000 with annual renewal at the discretion of the bank. This line of credit carries a variable interest rate. As of June 30, 2025 and 2024, the outstanding balance on this line of credit is \$250,000.

On July 14, 2021, the Organization entered into a line of credit with Regions Bank in the amount of \$250,000. This line of credit carries a variable interest rate of Prime plus 2.4% (9.9% at June 30, 2025) and matures June 21, 2027. As of June 30, 2025 and 2024, the outstanding balance on this line of credit was \$250,000 and \$0, respectively.

On September 29, 2021, the Organization entered into a line of credit with American Momentum Bank which was subsequently amended to the amount of \$1,000,000. This line of credit carries a fixed interest rate of 6.95% and matures April 24, 2026. The underlying LOC agreement contains certain operational and financial covenants. The Organization is in compliance with those covenants at June 30, 2025. As of June 30, 2025 and 2024, the outstanding balance on this line of credit was \$300,000 and \$900,000, respectively.

On January 31, 2023, the Organization entered into a line of credit with PNC Bank in the amount of \$750,000. This line of credit carries an interest rate based on “Daily BSBY” plus 2% and matures on April 10, 2026. As of June 30, 2025 and 2024, the outstanding balance on this line of credit was \$700,000.

Habitat for Humanity of Hillsborough County Florida, Inc.

DBA Habitat for Humanity of Tampa Bay Hillsborough

Notes to Financial Statements

June 30, 2025 and 2024

12. Net Assets with Donor Restrictions

Net assets with donor restrictions were as follows at June 30:

June 30,	2025	2024
Subject to expenditure for specified purpose or time restriction:		
Use restriction	\$ 692,889	\$ 281,016
Total restricted net assets	<u>\$ 692,889</u>	<u>\$ 281,016</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time as follows for the years ended June 30:

Year ended June 30,	2025	2024
Use restriction	\$ 281,016	\$ 149,873
	<u>\$ 281,016</u>	<u>\$ 149,873</u>

13. Transactions with Habitat for Humanity International ("HFHI")

The Organization remits a portion of its contributions without donor restrictions to HFHI as tithe to support HFHI's efforts in other countries. The Organization contributed \$47,345 and \$225,000 to HFHI during the years ended June 30, 2025 and 2024, respectively. These amounts are included in program services expense in the statements of activities.

NMTC financing allows organizations such as affiliates of HFHI to receive low interest loans or investment capital from CDEs, primarily financial institutions, which will allow their investors to receive tax credits. As a result of participation in the NMTC program, the Organization has obtained low interest loans amounting to \$1,694,317 which are described in Note 10. The Organization's initial investment amounted to \$1,246,278 consisting of construction in progress inventory.

Investments in joint ventures are accounted for under the equity method, with the Organization's share of the operating results of the joint venture reflected in investment income. All distributions received will be used to pay off the Qualified Low Income Community Investments Loans as described in Note 10.

The organization obtained a construction loan in the amount of \$1,200,000 from HFHI as of June 30, 2025. See Note 10 for the loan terms.

14. Related Party Transactions

The Organization constructs homes for a non-profit related party who sells homes to qualified Habitat homeowner candidates. The Organization was paid \$836,000 and \$2,760,000 for the years ended June 30, 2025 and 2024, respectively for those services. The Organization

Habitat for Humanity of Hillsborough County Florida, Inc.
DBA Habitat for Humanity of Tampa Bay Hillsborough
Notes to Financial Statements
June 30, 2025 and 2024

advances funds throughout the year for the related party to begin construction on homes. The related party sold 3 and 12 homes in 2025 and 2024, respectively.

In addition, the related party Sunshine Community Housing Development Organization, Inc. donated \$800,000 to the Organization for the year ended June 30, 2024.

15. Commitments and Contingencies

The Organization is exposed to various unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the Organization's financial position or the results of its operations.

16. Subsequent Events

The Organization has evaluated the need for adjustments and/or disclosure resulting from subsequent events in these financial statements through February 3, 2026, the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosures in the financial statements.