CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

HABITAT FOR HUMANITY OF PINELLAS COUNTY, INC. AND SUBSIDIARIES
DBA: HABITAT FOR HUMANITY TAMPA BAY GULFSIDE

June 30, 2026 and 2025

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Habitat for Humanity of Pinellas County, Inc. and Subsidiaries
DBA: Habitat for Humanity Tampa Bay Gulfside

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Habitat for Humanity of Pinellas County, Inc. and Subsidiaries DBA: Habitat for Humanity Tampa Bay Gulfside (a nonprofit organization) (collectively, the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2026 and 2025, 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. 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 the Organization 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 opinions.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated 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 consolidated 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 consolidated 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 the Organization'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 the Organization'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.

Tampa, Florida
October 26, 2026

Brico, Gardiner & Company, P.A.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries
DBA: Habitat for Humanity Tampa Bay Gulfside

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS	2026	2025
Cash and cash equivalents	$ 19,494,119	$ 12,944,388
Assets held in escrow	3,227,387	2,937,055
Accounts receivable	427,530	469,619
Unconditional promises to give, net	168,409	168,793
Investments	5,511,025	4,836,747
Homes under construction	6,327,822	8,991,608
Land held for development	10,994,451	7,247,307
Property and equipment, net	486,308	655,393
Operating right-of-use assets	603,578	1,029,063
Mortgages receivable, net	1,433,672	1,783,603
Other mortgages receivable	400,937	425,871
Other receivables	447,249	248,517
Beneficial interest in assets held by community foundations	1,039,944	906,131
Investment in joint venture	4,032,751	4,032,751
Deferred affordable housing notes receivable	350,000	350,000
Other assets	228,260	252,863
TOTAL ASSETS	$ 55,173,442	$ 47,279,709
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	$ 1,385,488	$ 1,456,265
Refundable advances	-	32,500
Escrow deposits	2,470,317	2,220,857
Down payments and advance payments	129,715	194,440
Operating lease liabilities	640,743	1,079,355
Finance lease liabilities	37,565	56,985
Notes payable, net	12,530,184	6,840,034
Deferred affordable housing note payable	350,000	350,000
Total liabilities	17,544,012	12,230,436
Net assets		
Without donor restrictions	35,652,608	33,916,731
With donor restrictions	1,976,822	1,132,542
Total net assets	37,629,430	35,049,273
TOTAL LIABILITIES AND NET ASSETS	$ 55,173,442	$ 47,279,709

The accompanying notes are an integral part of these consolidated statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries
DBA: Habitat for Humanity Tampa Bay Gulfside

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2026
(With summarized comparative totals for the year ended June 30, 2025)

	Year Ended June 30, 2026			
	Without Donor Restrictions	With Donor Restrictions	Total	2025
Support and revenue				
Contributions:				
Cash	$ 4,377,498	$ 134,210	$ 4,511,708	$ 4,148,869
Estates and trusts	931,120	-	931,120	127,805
Donated land	-	1,065,017	1,065,017	1,491,249
Building materials and services	1,600,269	-	1,600,269	1,094,530
Transfers to homeowners	24,837,811	-	24,837,811	26,955,466
Foundations and grants	2,585,051	50,000	2,635,051	5,272,407
Special events revenue, net of $480,162 of expenses	824,347	-	824,347	785,262
Mortgage discount amortization	686,805	-	686,805	191,120
Other	100,907	-	100,907	54,753
Net assets released from restrictions	404,947	(404,947)	-	-
Total public support and revenue	36,348,755	844,280	37,193,035	40,121,461
Expenses				
Program services	33,911,072	-	33,911,072	39,600,496
General and administrative	682,027	-	682,027	703,044
Fundraising	743,015	-	743,015	724,612
Total expenses	35,336,114	-	35,336,114	41,028,152
Other income (expenses)				
Gain on sale of assets	11,037	-	11,037	25,914
Investment income	523,966	-	523,966	752,763
Interest expense	(61,767)	-	(61,767)	(51,679)
Debt forgiveness	250,000	-	250,000	-
Change in net assets	1,735,877	844,280	2,580,157	(179,693)
Net assets at beginning of year	33,916,731	1,132,542	35,049,273	35,228,966
Net assets at end of year	$ 35,652,608	$ 1,976,822	$ 37,629,430	$ 35,049,273

The accompanying notes are an integral part of these consolidated statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries
DBA: Habitat for Humanity Tampa Bay Gulfside

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions:			
Cash	$ 4,087,869	$ 61,000	$ 4,148,869
Estates and trusts	127,805	-	127,805
Donated land	-	1,491,249	1,491,249
Building materials and services	1,094,530	-	1,094,530
Transfers to homeowners	26,955,466	-	26,955,466
Foundations and grants	5,272,407	-	5,272,407
Special events revenue, net of $424,267 of expenses	785,262	-	785,262
Mortgage discount amortization	191,120	-	191,120
Other	54,753	-	54,753
Net assets released from restrictions	1,077,429	(1,077,429)	-
Total public support and revenue	39,646,641	474,820	40,121,461
Expenses			
Program services	39,600,496	-	39,600,496
General and administrative	703,044	-	703,044
Fundraising	724,612	-	724,612
Total expenses	41,028,152	-	41,028,152
Other income (expenses)			
Gain on sale of assets	25,914	-	25,914
Investment income	752,763	-	752,763
Interest expense	(51,679)	-	(51,679)
Change in net assets	(654,513)	474,820	(179,693)
Net assets at beginning of year	34,571,244	657,722	35,228,966
Net assets at end of year	$ 33,916,731	$ 1,132,542	$ 35,049,273

The accompanying notes are an integral part of this consolidated statement.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries
DBA: Habitat for Humanity Tampa Bay Gulfside

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended June 30,

	2026	2025
Cash flows from operating activities		
Change in net assets	$ 2,580,157	$ (179,693)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	169,085	143,612
Amortization of intangibles	15,428	14,389
Amortization of loan costs	19,313	9,225
Amortization of mortgage discounts	(686,805)	(191,120)
Bad debt expense	79,035	138,826
Net unrealized and realized gains on investments	(216,965)	(344,574)
Gain on sale of property held for investment or sale	(11,037)	(14,814)
Gain on sale of assets	-	(11,100)
Donated land for development	(1,065,017)	(1,491,249)
Forgiveness of debt	(250,000)	-
Decrease (increase) in:		
Accounts receivable	42,089	468,983
Other receivables	(198,732)	36,788
Unconditional promises to give	(78,651)	(34,897)
Land held for development	(2,722,893)	2,038,117
Operating right-of-use assets	425,485	411,728
Homes under construction	2,663,786	(4,661,733)
Other assets	9,175	162,706
(Decrease) increase in:		
Accounts payable and accrued expenses	(70,777)	166,125
Escrow deposits	249,460	655,021
Down payments and advance payments	(64,725)	775
Lease liabilities - operating	(438,612)	(408,600)
Deferred revenue	(32,500)	(11,500)
Net cash provided (used) by operating activities	416,299	(3,102,985)
Cash flows from investing activities		
Proceeds from sale of land held for development and investment	51,803	15,961
Proceeds from sale of property and equipment	-	11,100
Purchases of property and equipment	-	(290,880)
Transfer of assets to community foundations	(15,410)	(10,052)
Transfer of assets from community foundations	2,834	909,044
Purchases of investments	(618,877)	(618,135)
Proceeds from investments	-	5,436,306
Distributions from investment in joint venture	40,327	40,327
Issuance of mortgages receivable	(468,995)	(1,305,169)
Proceeds from sale and payments received on mortgages	1,530,665	363,014
Net cash provided by investing activities	522,347	4,551,516

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries
DBA: Habitat for Humanity Tampa Bay Gulfside

CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED

For the years ended June 30,

	2026	2025
Cash flows from financing activities		
Loan closing costs	(33,015)	-
Payments on notes payable	(85,888)	(564,532)
Proceeds from notes payable	6,039,740	460,902
Principal payments on finance lease obligations	(19,420)	(13,511)
Net cash provided (used) by financing activities	5,901,417	(117,141)
Net change in cash and cash equivalents	6,840,063	1,331,390
Cash at beginning of year (including assets held in escrow)	15,881,443	14,550,053
Cash at end of year (including assets held in escrow)	$ 22,721,506	$ 15,881,443
Supplemental disclosure of cash flow information		
Interest paid	$ 297,027	$ 42,454
Income taxes paid	$ -	$ -
Supplemental information of noncash investing and financing transactions:		
Transfer of property to homeowners through issuance of mortgage receivable	$ 22,580,246	$ 27,034,253

The accompanying notes are an integral part of these consolidated statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries
DBA: Habitat for Humanity Tampa Bay Gulfside

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2026
(With summarized comparative totals for the year ended June 30, 2025)

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Total Supporting Services	Total 2026	Total 2025
Salaries, and related expenses						
Salaries	$ 5,202,074	$ 336,221	$ 425,493	$ 761,714	$ 5,963,788	$ 5,913,087
Benefits	658,032	25,818	32,297	58,115	716,147	733,238
Retirement Plan	174,398	4,145	12,110	16,255	190,653	181,347
Total salaries and net expenses	6,034,504	366,184	469,900	836,084	6,870,588	6,827,672
Building materials and supplies	24,525,827	-	-	-	24,525,827	28,548,972
Insurance and taxes	279,259	-	-	-	279,259	267,804
Repairs and maintenance	232,378	-	-	-	232,378	192,727
Office supplies, equipment, utilities	532,188	78,196	24,088	102,284	634,472	590,408
Printing and advertising	315,774	7,429	22,109	29,538	345,312	460,533
Travel	75,483	19,272	2,419	21,691	97,174	140,150
Professional services	537,717	34,285	28,800	63,085	600,802	654,416
Miscellaneous	281,237	132,694	93,139	225,833	507,070	432,140
Discount on mortgages issued	265,220	-	-	-	265,220	1,875,452
Rent	420,871	29,343	29,343	58,686	479,557	486,651
Bad debt expense	-	5,818	73,217	79,035	79,035	138,826
Support of Habitat for Humanity International	234,907	-	-	-	234,907	254,400
Total expenses before depreciation and other	33,735,365	673,221	743,015	1,416,236	35,151,601	40,870,151
Depreciation and amortization	175,707	8,806	-	8,806	184,513	158,001
Total expenses	$ 33,911,072	$ 682,027	$ 743,015	$ 1,425,042	$ 35,336,114	$ 41,028,152

The accompanying notes are an integral part of these consolidated statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries
DBA: Habitat for Humanity Tampa Bay Gulfside

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2025

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Total Supporting Services	Total 2025
Salaries, and related expenses					
Salaries	$ 5,283,160	$ 284,471	$ 345,456	$ 629,927	$ 5,913,087
Benefits	675,674	26,568	30,996	57,564	733,238
Retirement Plan	167,847	4,428	9,072	13,500	181,347
Total salaries and net expenses	6,126,681	315,467	385,524	700,991	6,827,672
Building materials and supplies	28,548,972	-	-	-	28,548,972
Insurance and taxes	267,736	-	68	68	267,804
Repairs and maintenance	192,727	-	-	-	192,727
Office supplies, equipment, utilities	533,843	38,827	17,738	56,565	590,408
Printing and advertising	408,377	5,994	46,162	52,156	460,533
Travel	104,198	32,834	3,118	35,952	140,150
Professional services	550,704	88,462	15,250	103,712	654,416
Miscellaneous	193,305	150,252	88,583	238,835	432,140
Discount on mortgages issued	1,875,452	-	-	-	1,875,452
Rent	411,965	45,343	29,343	74,686	486,651
Bad debt expense	-	-	138,826	138,826	138,826
Support of Habitat for Humanity International	254,400	-	-	-	254,400
Total expenses before depreciation and other	39,468,360	677,179	724,612	1,401,791	40,870,151
Depreciation and amortization	132,136	25,865	-	25,865	158,001
Total expenses	$ 39,600,496	$ 703,044	$ 724,612	$ 1,427,656	$ 41,028,152

The accompanying notes are an integral part of these consolidated statements.

Habitat for Humanity of Pinellas County, Inc. and Subsidiaries
DBA: Habitat for Humanity Tampa Bay Gulfside

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2026 and 2025

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A description of the Organization and a summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follow:

1. Description of the Organization

Habitat for Humanity of Pinellas County, Inc. ("Habitat") was incorporated in January 1985. Habitat is an affiliate of Habitat for Humanity International, Inc. ("Habitat International"), a nondenominational Christian, not-for-profit organization, whose mission is to build and repair simple, decent, affordable houses for those who lack adequate shelter. Although Habitat International assists with information resources, training, publications, prayer support and in other ways, Habitat is primarily and directly responsible for its own operations.

Pinellas Funding Company I, LLC ("Pinellas Funding") was incorporated in July 2013 and is solely-owned by Habitat. Pinellas Funding was formed to complete the sale of mortgages with PNC Bank (see Note P). Pinellas Funding purchased mortgages from Habitat and subsequently sold these mortgages to PNC Bank.

On August 31, 2010, Pinellas County Habitat for Humanity Community Development Organization ("Pinellas CHDO") was incorporated as a not-for-profit organization in accordance with the laws of the State of Florida. Pinellas CHDO is wholly owned by Habitat and has met the requirements specified by the U.S. Department of Housing and Urban Development to act in the capacity of a Community Housing Development Organization and has been certified by Pinellas County, Florida. As a result, Pinellas CHDO is eligible to participate in government programs that provide special set-aside funds that can be used to provide affordable housing to low-income families within Pinellas County.

2. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Habitat, Pinellas Funding and Pinellas CHDO (collectively, the "Organization"), which are not-for-profit corporations. The entities comprising the Organization are related through a controlling financial interest and Habitat's direct and indirect ability to determine the direction of management. All significant intercompany accounts and transactions have been eliminated in the consolidation.

3. Basis of Accounting

These consolidated financial statements, presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- With Donor Restrictions - Contributions and other inflows of assets that are subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by actions of the Organization or by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources be maintained in perpetuity. Donor-restricted contributions for which restrictions are met within the same year as received are reported as contributions without donor restrictions.

- Without Donor Restrictions - Contributions and other inflows of assets that are not subject to donor-imposed stipulations but may be designated for specific purposes by actions of the Board of Directors ("Board"). This designation may be removed at the Board's discretion. Net assets without donor restrictions include expendable funds available to support operations as well as net assets invested in property and equipment.

4. Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

5. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with financial institutions. The Organization considers all highly liquid assets with an initial maturity of three months or less as cash. Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash held in financial institutions more than federally insured limits. From time to time the Organization's cash balances may have exceeded the federally insured limit. However, the Organization has not experienced, and does not expect, to incur any losses in such accounts.

6. Assets Held in Escrow

The Organization currently services the mortgages on the homes it sells. 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 and offset by escrow deposits, a related liability.

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Accounts Receivable and Other Receivables

Accounts receivable consists of various amounts due from homeowners and homeowner candidates. Other receivables consist of second mortgages, a note receivable in connection with a new markets tax credit program (see Note I) and amounts due from various financial institutions. Management estimates the allowance for uncollectible accounts receivable and other receivables based on a review of the individual receivable outstanding as of the end of the year. The Organization has determined that all amounts are collectible; accordingly, no allowance for potentially uncollectible accounts has been recorded at June 30, 2026 and 2025.

8. Unconditional Promises to Give

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 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 performance and/or control barriers are substantially met.

The carrying amount of unconditional promises to give is reduced by a valuation allowance that reflects management’s best estimate of the amount that will not be collected. The allowance is based on prior years’ experience and management’s analysis of specific promises made. Certain accounts are written off under the direct write-off method; other accounts are part of the reserve for doubtful accounts established based on management’s estimate.

As of June 30, 2026 and 2025, the Organization recorded allowances in the amount of $16,000.

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. Homes Under Construction

Homes under construction consist of labor, material and lot costs using the specific identification method, and include indirect construction costs incurred during the construction period. When the home is ultimately sold, construction costs are expensed and reported as building materials and supplies in the consolidated statements of functional expenses. As the purpose and mission of the Organization is to build affordable housing for low-income families, the Organization does not generally write down the value of homes under construction to estimated sales value, because any excess cost over sales value is a component of program services. Habitat transferred 80 and 88 homes to homeowners during the years ended June 30, 2026 and 2025, respectively.

10. Land Held for Development

Land held for development includes the cost of land and land improvements or, if donated, the approximate fair value of the land at the date of the donation, held for future construction of homes. Land held for development is carried as the lower of costs or net realizable value.

11. Property and Equipment

Property and equipment are recorded at acquisition cost, including costs necessary to prepare the asset for its intended use, less accumulated depreciation. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the assets ranging from 3 to 40 years. Maintenance and repairs are charged to expense as incurred, while renewals and betterments in excess of $5,000 are capitalized. Upon retirement, sale or other disposition of property and equipment, the costs and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included within the consolidated statements of activities and changes in net assets.

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

12. Mortgages Receivables, Net and Other Mortgages

Mortgages receivables 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 ranging from five to 30 years. Non-interest-bearing mortgages have been discounted based upon prevailing market rates for low-income housing at the inception of the mortgages, as provided by Habitat International. This discount will be recognized as mortgage discount amortization income over the term of the mortgage.

In addition to the mortgages receivable included in the consolidated statements of financial position, the Organization also enters into equity creation agreements with certain homebuyers. These equity creation agreements known as a shared equity agreement 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, 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 families who meet the Organization’s financial and credit criteria are approved to be partner families 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 has documented delinquency procedures that are followed starting with 10 to 15 days after the payment due date. Once a payment is 120 days or more late, the Organization will turn the file over to its attorney who will send a letter or other notice as required by law. If the homeowner does not cure the default, foreclosure proceedings are 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 value. Therefore, the Organization believes that losses resulting from nonpayment of mortgage notes receivable, given its collateral value, are not likely. Accordingly, the Organization has not recorded an allowance for mortgages receivable.

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

13. Investments

Investments are stated at fair value based upon quoted market prices with dividends, interest, investment fees, realized and unrealized gains and losses captioned as investment return, net on the statement of activities and changes in net assets. Management determines the appropriate classification of investments as short or long term in accordance with asset allocations and investment policies.

14. Investment in Joint Venture

The Organization makes investments in various companies to facilitate New Markets Tax Credit transactions (see Note I). The Organization accounts for their investment under the equity method of accounting as they maintain significant influence over the investment; however, do not have control.

15. Beneficial Interest in Assets Held by Community Foundations

The beneficial interest in assets held by community foundations are recorded at fair value in the consolidated statements of financial position. Changes in the fair value of the beneficial interest in assets held by community foundations are recorded as investment income in the consolidated statements of activities and changes in net assets.

16. Other Assets

Other assets consist mainly of prepaid expenses, refundable deposits and intangible assets. In accordance with U.S. GAAP, if an intangible asset is determined to have an indefinite useful life, it shall not be amortized until its useful life is determined to be no longer indefinite.

17. Debt Issuance Costs

Debt issuance costs are amortized using the straight-line method over the expected life of the related debt, which approximates the effective interest method, and are presented as a direct deduction from the face amount of the financings (see Note J). The related expense is included in interest expense in the consolidated statements of activities and changes in net assets.

18. 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:

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- 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 revenue from contracts with customers consists of transfers to homeowners. The Organization's contracts have a single performance obligation. The transaction price is the amount of consideration to which the Organization expects to be entitled in exchange for transferring goods to the customer. Revenue is recorded based on transaction price, which is a fixed consideration.

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

Federal, state and local government and other grant transactions within the scope of Topic 606, if any, are recognized as support when performance occurs pursuant to the contract agreement.

The Organization performs an evaluation at contract inception focused on whether a performance obligation is satisfied over time or at a point in time. Performance obligations meeting certain specific criteria, is recognized over time as the customer consumes and receives the benefit of the Organization's services as they are performed. If certain criteria is not met, the revenue is recognized at a point in time.

All revenue recognized under Topic 606 is recognized at a point in time.

Revenue recognition on contracts and grants deemed to be non-exchange transactions follow FASB ASC 958-605, *Revenue Recognition* (Topic 958-605). Unconditional contributions received, including promises to give, cash, other assets and grants and contracts deemed to be non-exchange transactions, are recorded as support to net assets with or without donor restrictions, at estimated fair value, depending on the existence and/or nature of any donor restrictions.

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purposes restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Conditional contributions are those contributions that certain donor-imposed rights of refund/return and barriers (performance obligations and/or controlling stipulations). Conditional contributions are recognized into revenue when conditions are satisfied and then follow the above polices for unconditional contributions. Conditional contributions received in advance of satisfying conditions are recorded as deferred revenue.

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 loans.

19. Contributed Non-Financial Assets

Contributed non-financial assets consists of donated services, materials, and land which are recorded as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Donated services, materials and land are reflected in the accompanying consolidated statements of activities and changes in net assets, at their estimated fair values at the date of receipt. The Organization reports revenues for the fair value of donated services received when the services require specialized skills, are provided by individuals possessing those skills, and represent services that would have been purchased had they not been donated.

During the years ended June 30, 2026 and 2025, contributed non-financial assets recognized within the consolidated statements of activities included:

	2026	2025
Building materials and services	$ 1,600,269	$ 1,094,530
Land	1,065,017	1,491,249
	$ 2,665,286	$ 2,585,779

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Building materials and services include donated appliances, labor hours, and other supplies used in the construction or renovation of affordable houses for those who lack adequate shelter. No donated building materials and services received during the period were restricted for use. In valuing building materials, including donated appliances and other supplies, the Organization estimates the fair value on the basis of estimates of wholesale values that would be received from selling similar products in the United States. Contributed labor from donors are valued at the estimated fair value based on current rates for similar services.

The contributed land will be used for the Organization's mission. Construction will commence upon the Organization's selection of a homeowner candidate and receipt of required permits. Land is restricted to construct and sell a homeowner candidate meeting certain eligibility requirements. Contributed land from various financial institutions and donors is recorded at their tax assessed just market value which approximates fair value.

20. Advertising Costs

Advertising costs are expensed as incurred and were approximately $345,000 and $461,000 for the years ended June 30, 2026 and 2025, respectively.

21. Income Tax Status

Habitat and Pinellas CHDO are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the IRC. Pinellas Funding is a disregarded entity and, therefore, revenues and expenses flow through to Habitat for federal tax purposes. Accordingly, no provision for income taxes is reflected in the accompanying consolidated financial statements.

The Organization has adopted the accounting standard on accounting for uncertain income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under this policy, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position would be sustained on examination by taxing authorities, based on the technical merits of the position. Management has evaluated the Organization's tax position and has concluded the Organization has taken no uncertain tax positions that require disclosure. The Organization would be liable for income taxes in the U.S. federal jurisdiction. Generally, the Organization is no longer subject to U.S. federal tax examinations by tax authorities before 2023.

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

22. Functional Expense Allocation

The costs of providing the programs and supporting services have been reported on a functional basis in the consolidated statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Program and supporting expenses, when specifically identifiable, are classified to the function which incurred the expense. Expenses allocated using management's estimate of time spent include payroll, employee benefits, and retirement plan expenses. Expenses allocated using management's estimate of usage include professional services, certain insurance, and depreciation and amortization. Lastly, expenses allocated using square footage include rent and utilities.

NOTE B - LIQUIDITY

The Organization maintains a policy of structuring its financial assets to be available as general expenditures, liabilities and other obligations come due. Generally, the Organization strives to maintain a minimum amount of cash on hand equal to 90 days of operating expense. The following represents the Organization's financial assets available to meet general expenditures over the next 12 months at June 30,:

	2026	2025
Cash and cash equivalents, less use restrictions of $150,500 and $102,500 at June 30, 2026 and 2025 respectively, and refundable advances of $0 and $32,500 at June 30, 2026 and 2025, respectively	$ 19,344,119	$ 12,809,388
Accounts receivable - other	427,530	469,619
Mortgage receivable (due in less than one year)	155,290	329,561
Unconditional promises to give (due in less than one year)	170,409	106,189
Investments	5,511,025	4,836,747
Total financial assets available to meet general expenditures over next 12 months	$ 25,608,373	$ 18,551,504

NOTE C - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consists of the following at June 30,:

	2026	2025
Gross unconditional promises to give	$ 200,409	$ 196,793
Less allowance	(16,000)	(16,000)
Less unamortized discount	(16,000)	(12,000)
Unconditional promises to give, net	$ 168,409	$ 168,793

Unconditional promises to give due in the following periods as of June 30,:

	2026	2025
Amounts due in:		
Less than one year	$ 170,409	$ 106,189
One to four years	30,000	90,604
	$ 200,409	$ 196,793

Unconditional promises to give with due dates extending beyond one year are discounted to present value using treasury bill rates with similar term investments with an added amount for economic uncertainty. The applicable discount rate for amounts due in more than one year was approximately 4%.

At June 30, 2026 and 2025, approximately $14,000 and $51,000, respectively, of unconditional promises to give were deemed uncollectible and written off.

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30,:

	2026	2025
Vehicles	$ 471,810	$ 471,810
Furniture and fixtures	56,906	56,906
Buildings	178,840	178,840
Leasehold improvements	440,687	440,687
Signage	22,206	22,206
Construction equipment	33,135	33,135
Office equipment	374,518	374,518
	1,578,102	1,578,102
Less accumulated depreciation	(1,091,794)	(922,709)
	$ 486,308	$ 655,393

Depreciation expense was approximately $169,000 and $144,000 for the years ended June 30, 2026 and 2025, respectively.

NOTE E - MORTGAGE RECEIVABLE, NET

Mortgage receivable, net consist of the following at June 30,:

	2026	2025
Non-interest bearing loans at par value	$ 3,370,088	$ 4,232,017
Less unamortized discount based on imputed interest	(1,936,416)	(2,448,414)
	$ 1,433,672	$ 1,783,603

As of June 30, 2026 and 2025, no loans were considered non-performing. Loans are deemed performing if they are less than 90 days delinquent, or if on an approved payment plan and current with the terms of the plan. There were no loans past due as of June 30, 2026.

NOTE E - MORTGAGE RECEIVABLE, NET - Continued

As of June 30, 2026, the balances on the mortgages that are scheduled to be received for the next five years and thereafter are as follows:

Years ending June 30,	
2027	$ 155,290
2028	154,323
2029	154,323
2030	154,323
2031	145,372
Thereafter	2,606,457
	$ 3,370,088

The initial amount of each mortgage loan approximates the Organization's cost to build the house, plus mortgage discount expense. The residential mortgage loans have been discounted to reflect their economic value. The interest rates used to determine the discount range from 3.0% to 9.0% and are based on the prevailing market rates, as provided by either Habitat International or applicable federal rates, in the year the mortgage originated. The discount rate used for the years ended June 30, 2026 and 2025, was 8.01%. The discount is calculated by computing the present value of each of the non-interest-bearing notes using the applicable discount rate.

The Organization typically sells mortgage receivables to various financial institutions at face value. During the years ended June 30, 2026 and 2025, the Organization sold mortgage receivables with a face value of approximately $21.3 million and $23.1 million, respectively. The Organization recognized a loss on sale of mortgage for $39,761 and a gain on sale of mortgages for $136,554 during the years ended June 30, 2026 and 2025, respectively.

The Organization services loans which it had sold to various banks. Under the agreements with the banks, the Organization agrees to service all loans in accordance with all applicable federal and state laws and regulations, and customary practices, policies and procedures for servicing residential mortgage loans. Additionally, in the event a loan becomes in default, the loan is subject to certain recourse by the bank. At June 30, 2026 and 2025, there were no investment of mortgages receivable secured by real estate for which formal foreclosure proceedings have commenced.

NOTE F - INVESTMENTS

As of June 30, 2026, investments of $3,344,811 consist of United States of America Treasury notes maturing between September 30, 2026 and September 30, 2028 with interest rates ranging from 0.375% to 1.625%. Additionally, the Organization held certificate of deposits with interest rate of 3.92%. As of June 30, 2025, investments of $4,290,607 consist of United States of America Treasury notes maturing between September 30, 2025 and September 30, 2028 with interest rates ranging from 0.375% to 3%.

NOTE G - BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATIONS

The Organization established funds, with the use of net assets with donor restrictions, within the Pinellas Community Foundation (“PCF”) in the amount of $10,000 and the Community Foundation of Tampa Bay (“CFTB”) in the amount of $10,000 and named the Organization as beneficiary of each fund (original funds). With the use of net assets without donor restrictions, the Organization established additional funds within PCF in the amount of $1,000,000 and CFTB in the amount of $500,000 and named the Organization as beneficiary of each fund. During the year ended June 30, 2025 the board of directors authorized a disbursement for approximately $900,000 from PCF. The various fund agreements grant variance power to the respective community foundations, which allows the respective community foundation to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the respective community foundation’s board of directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The source of the funds originated from contributions without restrictions. Earnings on the funds, net of any service fees, will be periodically distributed to the Organization in accordance with the agreement.

The Organization has recognized approximately $129,000 and $131,000 in earnings on these accounts for the years ended June 30, 2026 and 2025, respectively. The portfolio is managed by an investment company with oversight by PCF and CFTB. As of June 30, 2026 and 2025, the Organization’s investment in beneficial interest in assets held by community foundations totaled approximately $1,040,000 and $906,000, respectively.

NOTE H - FAIR VALUE MEASUREMENTS

The Organization measures its investments and beneficial interest in assets held by community foundations at fair value on a recurring basis (at least annually). The Organization defines fair value in accordance with U.S. GAAP, which 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.

NOTE H - FAIR VALUE MEASUREMENTS - Continued

A three-tier hierarchy categorizes the inputs as following:

Level 1 – Quoted market prices in active markets for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Organization evaluates the various types of financial assets to determine the appropriate fair value hierarchy based upon trading activity and the observability of market inputs. The Organization employs control processes to validate the reasonableness of the fair value estimates of its assets and liabilities, including those estimates based on prices and quotes obtained from independent third-party sources.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the report date.

The Organization's investments are reported at fair value in the accompanying consolidated statements of financial position. Fair value of assets measured on a recurring basis at June 30, 2026 and 2025, is as follows:

	2026			
	Fair Value	Level 1	Level 2	Level 3
Investments				
Money market funds	$ 1,666,214	$ 1,666,214	$ -	$ -
U.S. Treasury obligations	3,344,811	-	3,344,811	-
Certificate of deposits	500,000	-	500,000	-
Beneficial interest in assets held by community foundations	1,039,944	-	-	1,039,944
Total investments	$ 6,550,969	$ 1,666,214	$ 3,844,811	$ 1,039,944

NOTE H - FAIR VALUE MEASUREMENTS - Continued

	2025			
	Fair Value	Level 1	Level 2	Level 3
Investments				
Money market funds	$ 546,140	$ 546,140	$ -	$ -
U.S. Treasury obligations	4,290,607	-	4,290,607	-
Beneficial interest in assets held by community foundations	906,131	-	-	906,131
Total investments	$ 5,742,878	$ 546,140	$ 4,290,607	$ 906,131

There were no liabilities measured at fair value on a recurring basis at June 30, 2026 and 2025. Level 1 investments are classified as such due to their closeness to cash or being valued based on quoted market prices. Fair values for U.S. Treasury obligations and certificate of deposits are classified as level 2 and are valued using market value pricing model. The beneficial interest in assets held by community foundations are managed by two independent third-party trustees, and the Organization has no authority over investment decisions. The trust 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. Thus, the beneficial interest in assets held by community foundations are classified as Level 3 within the fair value hierarchy level.

During the years ending June 30, 2026 and 2025, there were no transfers into and out of Level 3 investments. The following 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, 2026 and 2025:

Balance as of June 30, 2024	$ 1,684,320
Additions	10,052
Distributions	(909,044)
Change in value of beneficial interests	120,803
Balance as of June 30, 2025	906,131
Additions	15,410
Distributions	(2,834)
Change in value of beneficial interests	121,237
Balance as of June 30, 2026	$ 1,039,944

NOTE I - INVESTMENT IN JOINT VENTURE

The Organization participates in New Markets Tax Credit ("NMTC") programs. NMTC financing allows an entity to receive a loan or investment capital from outside investors, who will receive new markets tax credits to be applied against their federal tax liability. The programs provide funds to eligible organizations for investment in "qualified low-income community investment". Program compliance requirements included creation of a promissory note and investment in a qualified community development entity. Tax credit recapture is required if compliance requirements are not met over a seven-year period.

In December 2019, the Organization invested in a partnership (Habitat Pinellas Leverage III, LLC), with 95.0% ownership to take advantage of NMTC financing. As a result, the Organization has invested $4,032,750 and was able to secure two 20-year loans in the amount of $4,245,000 and $1,755,000 payable to a community development entity. The loan proceeds are to be used solely for the purpose of acquiring, rehabbing and/or constructing single-family homes in qualified census tracts and selling all homes to low-income persons. The loans are interest only for years one through seven at a reduced rate of 0.7076% per year. Beginning in year eight through year 20 the principal balance of the loan is reduced by a 12-year amortization at the same rate of 0.7076%.

In December 2026, Hancock Whitney New Markets Investor 37, LLC (the Fund), and the upstream effective owner of Hancock Whitney New Markets CDE 37, LLC (holder of the promissory note due from the Organization) is expected to exercise its put option. Under the terms of the put option agreement, Habitat Pinellas Leverage III, LLC is expected to purchase the ownership interest of the Fund. Exercise of the option will effectively allow the Organization to extinguish its outstanding debt owed to the Fund.

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 from joint venture. During each of the years ended June 30, 2026 and 2025, investment income from joint ventures was approximately $40,000, and is included in investment income on the consolidated statements of activities and changes in net assets.

NOTE I - INVESTMENT IN JOINT VENTURE - Continued

The results of operations and financial position of the Organization's equity basis investment is summarized below:

	2026 (unaudited)	2025 (unaudited)
Condensed income statement information:		
Revenues	$ 42,450	$ 42,450
Expenses	-	-
	$ 42,450	$ 42,450
Condensed balance sheet information:		
Assets	$ 4,245,000	$ 4,245,000
Liabilities	-	-
Equity	4,245,000	4,245,000
Total liabilities and equity	$ 4,245,000	$ 4,245,000

NOTE J - NOTES PAYABLE

Notes payable consists of the following at June 30,:

	2026	2025
Loans payable to Habitat International as part of the SHOP 2016 grant with total monthly payments ranging from $70 to $768 beginning January 2020, at 0% interest; maturing through January 2026.	$ -	$ 8,173
Loans payable to Habitat International as part of the SHOP 2017 grant with total monthly payments ranging from $145 to $510 beginning January 2022, at 0% interest; maturing through July 2026.	20,978	47,510
Loans payable to Habitat International as part of the SHOP 2018 grant with total monthly payments ranging from $221 to $515 beginning July 2022, at 0% interest; maturing through July 2026.	4,504	13,360

NOTE J - NOTES PAYABLE - Continued

	2026	2025
Loans payable to Habitat International as part of the SHOP 2019 grant with monthly payments of $528 beginning January 2023, at 0% interest; maturing January 2027.	6,367	12,703
Loans payable to Habitat International as part of the SHOP 2020 grant with total monthly payments of $580 beginning July 2025, at 0% interest; maturing July 2029.	44,255	55,312
Loans payable to Habitat International as part of the SHOP 2021 grant with total monthly payments of $441 beginning July 2026, at 0% interest, maturing July 2030.	33,605	33,605
Loans payable to Habitat International as part of the SHOP 2022 grant with total monthly payments of $1,292 beginning July 2028, at 0% interest; maturing July 2032.	68,269	68,269
Loans payable to Habitat International as part of the SHOP 2023 grant with total monthly payments of $832 beginning January 2029, at 0% interest; maturing January 2033.	44,000	-
Note payable from Pinellas Funding to PNC Community Development Company, LLC for $1,004,236 with monthly payments of $2,843 at 0% interest until maturity at June 2043; collateralized by assignment of notes.	400,937	425,871
Note payable to Hancock Whitney New Markets CDE 37, LLC, debt requires interest only. Loan A $4,245,000 and Loan B $1,755,000. Debt requires interest only payments through December 2026 and matures in December 2039. The loan is secured by substantially all the assets acquired by the Organization from the loan proceeds. Debt has a put option feature that is exercisable on December 25, 2026.	6,000,000	6,000,000
Note payable to Republic Bank for $1,400,000 with interest only payments beginning August 2025, at 6.35% interest. One final balloon payment due on maturity date of July 30, 2028. The loan is secured by real property.	1,400,000	-

NOTE J - NOTES PAYABLE - Continued

	2026	2025
Note payable to ServisFirst Bank for $4,292,500 with interest only payments beginning October 2025, at 5.87% interest. One final balloon payment due on maturity date of October 9, 2028. The loan is secured by real property.	4,292,500	-
Two(2) notes payable to the City of St. Petersburg for the purchase of land with 0% interest, and collateralized by real property. The loans are forgiven if the home is owned by an eligible homeowner through January 2032.	14,000	14,000
Three(3) $15,000 notes payable to the City of St. Petersburg for three parcels of land with 0% interest, and collateralized by real property. The loans are forgiven if the home is owned by an eligible homeowner beginning February 2030 through March 2030.	45,000	45,000
Note payable of $250,000 to Pinellas County for the purchase of property with 0% interest. Note was forgiven in fiscal year 2026.	-	250,000
Note payable of $303,240 to Pasco County for the purchase of property with 0% interest, and collateralized by real property. The note is forgiven if the home is owned by an eligible homeowner through January 2056.	303,240	-
	12,677,655	6,973,803
Debt issuance costs, net	(147,471)	(133,769)
	$ 12,530,184	$ 6,840,034

NOTE J - NOTES PAYABLE - Continued

The following is a summary of future contractual debt maturities during each of the following:

Years ending June 30,:	Total
2027	$ 75,074
2028	43,663
2029	5,761,357
2030	59,119
2031	101,018
Thereafter	6,637,424
	$ 12,677,655

During the years ended June 30, 2026 and 2025, the Organization incurred $33,015 and $0, debt issuance costs in connection with the issuance of notes payable above, respectively. Debt issuance costs are presented as a reduction of notes payable to be amortized over the term of the loan.

The components of debt issuance costs are as follows at June 30,:

	2026	2025
Loan costs	$ 217,524	$ 184,509
Less accumulated amortization	(70,053)	(50,740)
Total debt issuance costs, net	$ 147,471	$ 133,769

Interest expense related to the debt issuance costs for each of the years ended June 30, 2026 and 2025, was approximately $19,000 and $9,000, respectively.

NOTE K - NET ASSETS WITH DONOR RESTRICTIONS

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

	2026	2025
Subject to expenditure for specified purpose or time restriction:		
Unconditional promises to give, net of unamortized discount	$ 168,409	$ 168,793
Use restriction	150,000	102,500
Donated land	1,628,413	831,249
Subject to spending policy:	1,946,822	1,102,542
Beneficial interest in assets held by community foundations	30,000	30,000
	$ 1,976,822	$ 1,132,542

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

	2026	2025
Unconditional promises to give, net of unamortized discount	$ 123,384	$ 154,929
Use restriction	13,710	12,500
Donated land	267,853	910,000
	$ 404,947	$ 1,077,429

NOTE L - LEASES

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under Topic 842, a contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization acquired equipment through finance lease arrangements which expire in 2029. Equipment under the finance leases totaled approximately $76,000 at June 30, 2026 and 2025, and is included in property and equipment on the consolidated statements of financial position.

NOTE L - LEASES - Continued

The Organization leases office and warehouse spaces under non-cancelable operating lease agreements with various expiration dates through May 2029.

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease cost is recognized as a combination of the amortization expense for the right-of-use assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern of the lease term.

The components of lease expense for the year ended June 30, 2026 and 2025, are as follows:

	2026	2025
Operating lease cost	$ 454,728	$ 454,728
Variable lease cost	24,830	29,139
Total operating lease cost	479,558	483,867
Finance lease cost - amortization of right-of-use assets	14,677	14,677
Finance lease cost - interest on lease liabilities	2,361	2,784
Total finance lease cost	17,038	17,461
	$ 496,596	$ 501,328

Finance lease costs are recorded in printing and advertising expenses in the consolidated statements of functional expenses. Short-term lease expense is not material to the Organization's consolidated financial statements.

Based on the terms of the agreements, the future undiscounted cash flows for minimum payments due on all leases are as follows at June 30, 2026:

Years ending June 30:	Finance Leases	Operating Leases
2027	$ 16,296	$ 268,015
2028	16,296	207,490
2029	7,872	195,410
Total minimum lease payments	40,464	670,915
Less implied interest portions included in payments	(2,899)	(30,172)
Present value of lease liabilities	$ 37,565	$ 640,743

NOTE L - LEASES - Continued

The weighted-average remaining lease term and the weighted average discount rate utilized in the lease liabilities calculations were as follows as of June 30,:

	2026	2025
Weighted-average remaining lease term:		
Operating leases	2.66 years	3.11 years
Finance leases	2.83 years	3.83 years
Weighted-average discount rate:		
Operating leases	3.79%	3.79%
Finance leases	4.76%	4.76%

NOTE M - COMMITMENTS AND CONTINGENCIES

Homes under construction: Fiscal 2027 is budgeted to complete 92 homes. Planned completions include all 20 single-family homes at Sandhill Ridge, 30 of the 40 townhomes at Pelican Place, and all Lealman Heights single-family (30) homes.

Other projects in infrastructure development, site planning, or predevelopment include:

- Lake Belleview, a 24-townhome development in Clearwater, is scheduled to begin infrastructure construction by the end of calendar year 2026.
- Lealman Heights Townhomes, a 26-unit development in Pinellas County, is scheduled to begin infrastructure construction by the end of calendar year 2026.
- Century Drive – 26 single family home development in Hernando County is currently in site planning and predevelopment.
- St. Bede's in St. Petersburg is currently in site planning is planned for 14 single-family homes.
- Long Lake Phase 2 within the City of Largo, is currently in site planning and is planned for 90 townhomes on approximately 8 acres.
- Lake Seminole Presbyterian in the City of Seminole is currently in site planning for 16 senior villas.

Purchases: At June 30, 2026 and 2025, the Organization had commitments to purchase land totaling approximately $-0- and $1.4 million, respectively. The Organization closed on St. Bede's, a 2.076-acre property in St. Petersburg planned for 14 single-family homes during fiscal 2026. This $1.4 million transaction was financed with a bank loan.

NOTE M - COMMITMENTS AND CONTINGENCIES - Continued

Litigation: The Organization is exposed to various asserted and 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 consolidated financial position or the results of its operations.

Grantors: Certain expenditures incurred by the Organization are subject to audit and possible disallowance by federal and state agencies. Management believes that, if audited, an adjustment for disallowed expenses would be immaterial. Additionally, certain properties maintain land use restrictions over a period of time which require the properties to be owned by families of low-income. Noncompliance with the land use restriction could result in repayment of all or a portion of previous amounts forgiven. Management believes the Organization is in compliance with land use restrictions through June 30, 2026.

NOTE N - TRANSACTIONS WITH HABITAT INTERNATIONAL

The Organization remits a portion of its contributions without donor restrictions to Habitat International as tithe to support its operations. The Organization contributed $234,907 and $254,400 to Habitat International during the years ended June 30, 2026 and 2025, respectively. These amounts are included in program expense in the consolidated statements of activities and changes in net assets.

NOTE O - COMMUNITY DEVELOPMENT BLOCK GRANT

On June 15, 2006, the Organization was awarded a Community Development Block Grant ("Grant") from Pinellas County, Florida in the amount of $350,000. Under the Grant, the Organization acquired 2.5 acres of land in Dunedin, Florida and constructed 18 affordable home ownership housing units. If the homebuyer sells the property between years six and 20, the Organization is required to return a prorated portion of the funds back to Pinellas County. The Organization has recorded a second mortgage on the properties to secure its interest in the properties. Both an asset for the second mortgage and a corresponding liability of $350,000 due to Pinellas County, are recorded as a deferred affordable housing note, and are reflected in the June 30, 2026 and 2025, consolidated statements of financial position. The amounts will be forgiven in 2030 if the homebuyers do not sell the properties.

NOTE P - SALES OF MORTGAGES WITH PNC BANK

In August 2013, Pinellas Funding was formed as a single member LLC with Habitat as the member. During 2014, Pinellas Funding acquired seven mortgages from Habitat with a carrying value of $666,422. Pinellas Funding then entered into a note purchase agreement with PNC Bank. Pinellas Funding authorized the issuance and sale of the mortgages with a face value of $1,004,236 to PNC Bank for $666,422 on August 29, 2013. This transaction did not meet the requirements under ASC 860 to be treated as a sale due to the Organization maintaining effective control and involvement with the mortgage receivables.

NOTE P - SALES OF MORTGAGES WITH PNC BANK - Continued

Accordingly, the mortgages receivable were not derecognized and are recorded in other mortgages receivable in the accompanying consolidated statements of financial position in the amount of approximately $401,000 and $426,000 at June 30, 2026 and 2025, respectively. Additionally, the Organization recorded a note payable due to PNC Bank. See Note J for the terms and outstanding balance of the offsetting PNC note payable at June 30, 2026 and 2025.

NOTE Q - RETIREMENT PLAN

The Organization has a 401(k) profit sharing plan that provides for a discretionary matching contribution. The Organization made contributions of approximately $191,000 and $181,000, for the years ended June 30, 2026 and 2025, respectively.

NOTE R - CONDITIONAL PROMISES TO GIVE FROM GRANTORS AND DONORS

The Organization has conditional promises to give from grantors and donors which are future payments that are contingent upon the Organization carrying out certain activities (meeting grant and donor-imposed barriers) stipulated by the grant or contract. Conditional promises to give from grantors and donors consist of the following as of June 30,:

	2026	2025
Cash grants from Habitat International passed through from the U.S. Government	$ -	$ 176,000
Cash grants from other grantors/donors	1,000,000	100,000
	$ 1,000,000	$ 276,000

NOTE S - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to June 30, 2026 as of October 26, 2026, which is the date the consolidated financial statements were available to be issued.