Habitat for Humanity Greater Orlando and Osceola County and Subsidiary
Consolidated Financial Statements
June 30, 2026 and 2025
With Independent Auditor's Reports

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ADVISORY TAX AUDIT

Habitat for Humanity Greater Orlando and Osceola County and Subsidiary
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June 30, 2026 and 2025

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Independent Auditor's Report

To the Board of Directors of
Habitat for Humanity Greater Orlando and Osceola County and Subsidiary:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Habitat for Humanity Greater Orlando and Osceola County and Subsidiary (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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2026 and 2025, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 opinion.

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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 for one year after the date 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 GAAS and *Government 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 GAAS and *Government 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 consolidated 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2026 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Withum Smith + Brown, PC

October 29, 2026

Habitat for Humanity Greater Orlando and Osceola County and Subsidiary
Consolidated Statements of Financial Position
June 30, 2026 and 2025

	2026	2025
Assets		
Cash and cash equivalents	$ 2,723,848	$ 3,005,053
Restricted cash	478,606	478,606
Grants receivable	257,625	192,756
Contributions receivable	20,000	40,000
Mortgage loans receivable, net of discounts	8,381,564	9,009,920
Home inventory	769,488	671,395
Homes in process	790,242	857,245
Land held for development	1,143,736	1,803,241
Property and equipment, net	1,890,818	1,980,684
Other assets	463,074	808,564
Other receivables	-	7,500
Right-of-use assets - financing	8,723	13,274
Total assets	$ 16,927,724	$ 18,868,238
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 186,999	$ 407,122
Accrued expenses	140,241	120,095
Deferred revenue	458,114	75,000
Right-of-use liabilities - financing	10,024	14,604
Notes payable, net	2,798,862	3,057,921
Secured borrowings, net	3,297,369	3,673,451
Lines of credit	840,674	1,142,872
Total liabilities	7,732,283	8,491,065
Net assets		
Without donor restrictions	9,175,441	10,337,173
With donor restrictions	20,000	40,000
Total net assets	9,195,441	10,377,173
Total liabilities and net assets	$ 16,927,724	$ 18,868,238

The Notes to Consolidated Financial Statements are an integral part of these statements.

Habitat for Humanity Greater Orlando and Osceola County and Subsidiary
Consolidated Statements of Activities and Changes in Net Assets
Years Ended June 30, 2026 and 2025

	2026			2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains						
Sales to homeowners, net of mortgage origination discounts	$ 5,577,578	$ -	$ 5,577,578	$ 5,938,125	$ -	$ 5,938,125
Contributions	2,132,889	-	2,132,889	2,508,579	30,000	2,538,579
Grants	2,486,237	-	2,486,237	1,849,769	-	1,849,769
Contributions of nonfinancial assets	400,737	-	400,737	575,389	-	575,389
Amortization of mortgage loan discounts	305,501	-	305,501	299,796	-	299,796
Other income	304,051	-	304,051	41,820	-	41,820
Interest income	91,889	-	91,889	141,769	-	141,769
Net assets released from restrictions	20,000	(20,000)	-	40,000	(40,000)	-
Total revenue, support and gains	11,318,882	(20,000)	11,298,882	11,395,247	(10,000)	11,385,247
Expenses						
Program services	10,339,676	-	10,339,676	11,259,864	-	11,259,864
Supporting services						
Fundraising	837,952	-	837,952	801,759	-	801,759
Management and general	1,302,986	-	1,302,986	1,317,329	-	1,317,329
Total expenses	12,480,614	-	12,480,614	13,378,952	-	13,378,952
Change in net assets	(1,161,732)	(20,000)	(1,181,732)	(1,983,705)	(10,000)	(1,993,705)
Net assets						
Beginning of year	10,337,173	40,000	10,377,173	12,320,878	50,000	12,370,878
End of year	$ 9,175,441	$ 20,000	$ 9,195,441	$ 10,337,173	$ 40,000	$ 10,377,173

The Notes to Consolidated Financial Statements are an integral part of these statements.

Habitat for Humanity Greater Orlando and Osceola County and Subsidiary
Consolidated Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
Operating activities		
Change in net assets	$ (1,181,732)	$ (1,993,705)
Adjustments to reconcile change in net assets to net cash used in operating activities		
(Gain) loss on disposal of property and equipment	(19,108)	18,287
Depreciation and amortization of property and equipment	141,557	125,015
Amortization of debt issuance costs to interest expense	7,760	10,698
Mortgage loans originated in connection with home sales	(161,700)	(408,096)
Discounts on mortgages sold	25,241	65,920
Loss on extinguishment of secured borrowings converted to term loans	-	343,798
Gain on forgiveness of debt	(100,000)	-
Amortization of mortgage loan discounts	(305,501)	(299,795)
Amortization of right-of-use assets - financing	4,551	4,551
Change in operating assets and liabilities		
Grants and contributions receivable	(44,869)	(132,769)
Home inventory	(98,093)	(275,856)
Homes in process	67,003	149,706
Land held for development	659,505	(589,292)
Other assets	345,490	(170,837)
Other receivables	7,500	-
Accounts payable and accrued expenses	(199,977)	128,618
Deferred revenue	383,114	51,000
Net cash used in operating activities	(469,259)	(2,972,757)
Investing activities		
Purchase of property and equipment	(51,691)	(426,999)
Insurance proceeds related to vehicle loss	19,108	-
Principal payments received on mortgage loans receivable	1,095,557	1,253,881
Net cash provided by investing activities	1,062,974	826,882
Financing activities		
Principal payments on financing lease obligations	(4,580)	(4,250)
Net repayments on notes payable and secured borrowings	(568,142)	(527,087)
Debt issuance costs paid	-	(7,660)
Repayments on line of credit	(4,776,243)	(1,251,236)
Borrowings on line of credit	4,474,045	1,402,879
Net cash used in financing activities	(874,920)	(387,354)
Change in cash, cash equivalents, and restricted cash	(281,205)	(2,533,229)
Cash, cash equivalents, and restricted cash		
Beginning of year	3,483,659	6,016,888
End of year*	$ 3,202,454	$ 3,483,659

The Notes to Consolidated Financial Statements are an integral part of these statements.

Habitat for Humanity Greater Orlando and Osceola County and Subsidiary
Consolidated Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
***Cash, cash equivalents, and restricted cash at end of year are comprised of the following**		
Cash and cash equivalents	$ 2,723,848	$ 3,005,053
Restricted cash	478,606	478,606
	$ 3,202,454	$ 3,483,659
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 237,935	$ 126,607
Noncash investing and financing activities		
Term loans executed through extinguishment of secured borrowing	$ -	$ 1,932,737

The Notes to Consolidated Financial Statements are an integral part of these statements.

Habitat for Humanity Greater Orlando and Osceola County and Subsidiary
Consolidated Statement of Functional Expenses
Year Ended June 30, 2026

	Program Services					Supporting Services			
	Community Education & Engagement	Creating Home-ownership	Financing Ownership	Preserving Home-ownership	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Cost of building supplies and materials sold	$ -	$ 4,134,766	$ -	$ -	$ 4,134,766	$ -	$ -	$ -	$ 4,134,766
Payroll expenses	1,316,488	1,409,438	-	455,505	3,181,431	704,655	945,246	1,649,901	4,831,332
Discounts on mortgages issued	-	-	126,040	-	126,040	-	-	-	126,040
Professional fees	117,171	42,217	-	42,794	202,182	3,401	239,998	243,399	445,581
Supplies expense	18,100	16,131	-	693	34,924	504	852	1,356	36,280
Home repairs and property maintenance	-	-	-	1,442,790	1,442,790	-	-	-	1,442,790
Fees and donations to affiliates	-	67,185	-	-	67,185	-	-	-	67,185
Interest and borrowing expenses	6,475	24,327	231,002	2,746	264,550	2,470	6,903	9,373	273,923
Other	96,103	202,246	500	41,721	340,570	88,895	66,330	155,225	495,795
Utilities	3,617	11,923	-	1,534	17,074	1,380	2,335	3,715	20,789
Depreciation and amortization	14,864	105,174	-	6,305	126,343	5,672	14,093	19,765	146,108
Promotional expenses	64,113	3,709	-	2,065	69,887	1,294	9,376	10,670	80,557
Transportation and vehicle	-	57,280	-	100	57,380	-	-	-	57,380
Insurance	18,428	64,360	-	7,475	90,263	6,725	11,374	18,099	108,362
Equipment and maintenance	791	7,187	-	336	8,314	302	511	813	9,127
Printing and postage	31,404	2,397	-	204	34,005	22,098	1,268	23,366	57,371
Closing and mortgage service costs	-	26,106	96,157	-	122,263	-	3,760	3,760	126,023
Telephone and internet	1,696	2,172	-	280	4,148	251	425	676	4,824
Property tax	799	14,423	-	339	15,561	305	515	820	16,381
Total expenses	$ 1,690,049	$ 6,191,041	$ 453,699	$ 2,004,887	$ 10,339,676	$ 837,952	$ 1,302,986	$ 2,140,938	$ 12,480,614

The Notes to Consolidated Financial Statements are an integral part of this statement.

Habitat for Humanity Greater Orlando and Osceola County and Subsidiary
Consolidated Statement of Functional Expenses
Year Ended June 30, 2025

	Program Services					Supporting Services			
	Community Education & Engagement	Creating Home-ownership	Financing Ownership	Preserving Home-ownership	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Cost of building supplies and materials sold	$ -	$ 4,302,447	$ -	$ -	$ 4,302,447	$ -	$ -	$ -	$ 4,302,447
Payroll expenses	1,559,073	1,536,847	-	480,622	3,576,542	644,924	995,293	1,640,217	5,216,759
Discounts on mortgages issued	-	-	330,751	-	330,751	-	-	-	330,751
Professional fees	197,180	20,224	3,483	10,913	231,800	19,904	214,715	234,619	466,419
Supplies expense	4,233	12,502	-	1,114	17,849	882	1,370	2,252	20,101
Home repairs and property maintenance	-	-	-	1,134,257	1,134,257	-	-	-	1,134,257
Fees and donations to affiliates	-	67,395	-	-	67,395	-	-	-	67,395
Interest and borrowing expenses	8,460	22,285	163,486	2,347	196,578	2,750	11,496	14,246	210,824
Extinguishment costs	-	-	343,798	-	343,798	-	-	-	343,798
Other	154,210	317,834	-	45,398	517,442	93,768	61,985	155,753	673,195
Utilities	4,061	12,343	-	1,127	17,531	1,320	2,051	3,371	20,902
Depreciation and amortization	27,622	71,769	-	7,561	106,952	8,855	13,760	22,615	129,567
Promotional expenses	60,785	14,808	-	1,993	77,586	382	4,092	4,474	82,060
Transportation and vehicle	-	58,018	-	-	58,018	-	-	-	58,018
Insurance	20,271	58,005	-	5,396	83,672	6,320	9,820	16,140	99,812
Equipment and maintenance	813	21,789	-	1,032	23,634	264	411	675	24,309
Printing and postage	44,247	2,485	227	596	47,555	21,687	1,245	22,932	70,487
Closing and mortgage service costs	-	-	111,913	-	111,913	-	-	-	111,913
Telephone and internet	2,658	3,572	-	376	6,606	441	685	1,126	7,732
Property tax	805	6,510	-	223	7,538	262	406	668	8,206
Total expenses	$ 2,084,418	$ 6,528,833	$ 953,658	$ 1,692,955	$ 11,259,864	$ 801,759	$ 1,317,329	$ 2,119,088	$ 13,378,952

The Notes to Consolidated Financial Statements are an integral part of this statement.

1. Organization and Purpose

Habitat for Humanity Greater Orlando and Osceola County, Inc. ("Habitat") (a nonprofit corporation) was incorporated on May 20, 1986 under the laws of the state of Florida. Habitat is an affiliate of Habitat for Humanity International, Inc. ("Habitat International"), a nondenominational Christian nonprofit organization whose purpose is to create decent, affordable housing for those in need and to make decent shelter a matter of conscience with people everywhere. 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.

On October 20, 2015, Habitat formed a Florida single member limited liability corporation, HFHGO Funding Company I, LLC ("Funding Company"), the sole member of which is Habitat (collectively, the "Organization"). Funding Company was formed for the purpose of entering into certain business transactions related to its mortgage loans on behalf and for the benefit of Habitat.

2. Summary of Significant Accounting Policies

a. Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

b. Basis of Presentation

The Organization prepares its consolidated financial statements under the guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Organization is required to report information regarding its consolidated financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed stipulations. These assets may, however, be subject to Board of Directors ("Board") designation and unavailable for use at management's discretion.

Net Assets With Donor Restrictions: Net assets that are subject to donor-imposed stipulations. These stipulations either require the Organization to maintain the net assets permanently, generally permitting all or part of the income earned on related assets to be used for general or specific purposes or be met either by the completion of a stipulated action and/or the passage of time. As of June 30, 2026 and 2025, the Organization does not have any assets that are required to be maintained permanently.

c. Basis of Consolidation

The consolidated financial statements include the accounts of Habitat and its wholly owned subsidiary, Funding Company. All significant intercompany balances and transactions have been eliminated in the consolidation.

d. Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of support, revenues, and expenses during the reporting period. Actual results could differ from those estimates.

e. Cash, Cash Equivalents, and Restricted Cash

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Restricted cash consists of Board designated amounts held in a separate reserve account maintained to fund operations upon approval of the Board during times of financial hardship.

At times, the Organization has a concentration of credit risk arising from cash deposits at financial institutions in excess of federally insured limits. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Organization's financial condition, changes in net assets, and cash flows.

f. Contributions Receivable

Contributions receivable, net of discounts, are unconditional promises to give and are recorded when the promises to give are made. Contributions receivable which are expected to be collected in more than one year are stated at the present value of estimated future receipts. When applicable, the Organization provides an allowance for uncollectible pledges at the time contributions are recorded based on historical write-offs. For the years ended June 30, 2026 and 2025, all contributions receivable were considered collectible and accordingly, no allowance for uncollectible pledges was recorded at June 30, 2026 and 2025.

g. Grant Revenue, Grants Receivable and Deferred Revenue

Revenue from government grants designated for use in specific activities is recognized in the period in which the expenditures have been incurred in compliance with the grantor's restrictions. Revenue from these grants is recognized only to the extent of expenditures incurred under the terms of the grant. As of June 30, 2026 and 2025, deferred revenue related to these grants totaled $458,114 and $75,000, respectively. Grant expenditures incurred in excess of funds billed to the grantor are recorded as unbilled revenue. Unbilled revenue at June 30, 2026 and 2025 totaled $231,674 and $548,235, respectively, and is included in other assets on the accompanying statements of financial position.

h. Land Held for Development, Home Inventory and Homes in Process

Land held for development, home inventory and homes in process are stated at lower of cost or fair value and consist of undeveloped land and completed and in-process homes which have not yet been sold or transferred to homeowners.

The Organization reviews these assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying amount of an asset to its fair value. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Based on this review, there was no impairment recorded during the years ended June 30, 2026 and 2025.

i. Property and Equipment

Land is stated at cost; other property and equipment is stated at cost less accumulated depreciation and amortization. Material purchases of property and equipment and significant repairs and additions, which extend the useful life of existing assets, are capitalized in accordance with the Organization's adopted policy.

Depreciation and amortization are calculated using the straight-line method for specific assets, using the following estimated useful lives:

	Estimated Life (Years)
Building	39
Transportation	5
Fixtures and office equipment	3-5
Warehouse equipment	5-10
Software and website costs	3

j. Mortgage Loans Receivable

Mortgage loans receivable represent non-interest-bearing loans upon the sale of a home and have been discounted based upon prevailing market rates at the inception of the mortgage obligations. The original discount is recorded as discounts on mortgages issued within program services on the consolidated statements of functional expenses at the date the mortgage is originated. Discounts are amortized to revenue using the effective interest method over the lives of the mortgage loans and are recorded as amortization of mortgage loan discounts within revenue and support in the consolidated statements of activities and changes in net assets.

Mortgage loans receivable are collateralized by the underlying homes. The Organization reviews each mortgage for collectability, the fair value of the respective collateralized home, and based on actual and anticipated losses, records impairment losses if the carrying value of the mortgage loan exceeds the fair value of the underlying collateral. Payments that have not been received within 15 days of the due date are determined to be past due. Mortgages that become over 90 days delinquent are turned over to an attorney for collection. If the homeowner does not cure the default, the Organization forecloses on the home, at which time the mortgage loan receivable is written off and the home is put back into inventory for resale at a value equal to costs to foreclose on the home and the carrying value of the defaulted mortgage.

Management evaluates the credit quality of mortgage loans receivable as part of the Organization's lending activities, primarily through an evaluation of payment history, delinquency status, collectability, and the value of the underlying collateral. The Organization's allowance for credit losses is based on management's evaluation of historical information, evaluation of individual debtors, and future economic forecasts and is deemed adequate to absorb probable losses in the portfolio. Management has evaluated its mortgage notes receivable and has determined that no allowance for credit losses is necessary as of June 30, 2026 and 2025.

k. Transfers of Mortgage Loans Receivable

The Organization accounts for transfers of mortgage loans receivable as sales when it has surrendered control over the related assets. Whether control has been relinquished requires, among other things, an evaluation of relevant legal considerations and an assessment of the nature and extent of the Organization's continuing involvement with the mortgage loans receivable transferred. Gains and losses stemming from transfers reported as sales are included in net gain on sale of mortgage loans receivable in the accompanying consolidated statements of activities and changes in net assets. Assets obtained and liabilities incurred in connection with transfers reported as sales, if any, are initially recognized in the consolidated statements of financial position at fair value. There were no transfers of mortgage loans receivable that qualified as sales during the years ended June 30, 2026 and 2025.

Transfers of mortgage loans receivable that do not qualify for sale accounting are reported as secured borrowings. Accordingly, the related assets remain on the Organization's consolidated statements of financial position and continue to be reported and accounted for as if the transfer had not occurred. Cash proceeds from these transfers are reported as liabilities, with attributable interest expense recognized over the life of the related transactions. There were no transferred mortgage loans receivable during the years ended June 30, 2026 and 2025.

l. Leases

The Organization categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the consolidated statements of financial position.

Lease liabilities are recognized at the present value of the fixed lease payments using a discount rate based on the applicable treasury rate at adoption. Right-of-use assets are recognized based on the initial present value of the fixed lease payments plus any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the leased assets, are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease. Finance lease assets are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease term. The interest component of a finance lease is included in interest expense and recognized using the effective interest rate method over the lease term.

m. Debt Issuance Costs

Debt issuance costs are amortized using the effective interest method over the term of the debt into interest expense. Upon the early extinguishment of the related debt, any unamortized deferred financing costs are immediately expensed and included in change in net assets.

Debt issuance costs related to a recognized debt liability are presented in the consolidated statements of financial position as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The Organization is therefore presenting debt issuance costs net against notes payable on the accompanying consolidated statements of financial position.

n. Sales to Homeowners

Sales to homeowners are recorded at the gross mortgage amount plus down payment received. The sale constitutes a single performance obligation which is satisfied at the time of closing. Noninterest bearing mortgages have been discounted based upon prevailing market rates for low-income housing at the inception of the mortgages. Imputed interest revenue is recognized over the life of the mortgage as the monthly payments are received and processed. There were no contract assets or liabilities related to home sales as of June 30, 2026 or 2025.

o. Contributions of Nonfinancial Assets

During fiscal years 2026 and 2025, the Organization received $352,783 and $467,435, respectively, of donated construction materials and related labor for its home building projects. In addition, during fiscal years 2026 and 2025, the Organization received $43,317 and $67,535, respectively, of donated appliances installed in its home inventory. These amounts were recorded as contributions of nonfinancial assets in the accompanying consolidated statements of activities and changes in net assets and either to homes in process on the accompanying consolidated statements of financial position or cost of building materials and supplies sold in the accompanying consolidated statement of functional expenses depending on the nature of the item.

During fiscal years 2026 and 2025, the Organization also received in-kind contributions for fundraising events and marketing in the amounts of $4,637 and $40,419, respectively, which are recorded at estimated fair value of items and services donated and are included in contributions of nonfinancial assets in the accompanying consolidated statements of activities and changes in net assets and promotional expenses in the consolidated statements of functional expenses.

Donations of goods are valued at estimated fair value as determined by the donor at the time of donation. Professional services are valued at estimated fair value based on current rates for similar services. All contributed nonfinancial assets were utilized by the Organization during the year received and were not subject to donor-imposed restrictions.

p. Advertising

Advertising costs are expensed as incurred. Advertising costs totaled $80,557 and $82,060 for the years ended June 30, 2026 and 2025, respectively, and are included in promotional expenses on the consolidated statements of functional expenses.

q. Income Taxes

Habitat is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Income Tax Code. Funding Company was incorporated under the Florida Revised Limited Liability Company Act and is considered a disregarded entity for federal and state income tax purposes. Therefore, no provision for income taxes has been included in the accompanying consolidated financial statements.

The Organization identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the consolidated statements of financial position. The Organization has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the Organization would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

r. Reclassifications

Certain amounts in the 2025 consolidated statement of cash flows have been reclassified from investing activities to operating activities to conform to the 2026 presentation. These reclassifications had no effect on the previously reported change in net assets or change in cash.

s. Subsequent Events

Management has evaluated subsequent events through October 29, 2026, the date which the consolidated financial statements were available to be issued. Except as disclosed in Note 7, the Organization has determined that no subsequent events have occurred which require adjustment to or disclosure in the consolidated financial statements.

3. Contributions Receivable

Contributions receivable on June 30, 2026 and 2025 are as follows:

	2026	2025
Amounts due in		
Less than one year	$ 10,000	$ 20,000
One to five years	10,000	20,000
Contributions receivable	$ 20,000	$ 40,000

U.S. GAAP requires unconditional contributions due in more than one year to be discounted to net present value using prevailing interest rates. At June 30, 2026 and 2025, the Organization has determined that the effect of discounting these contributions receivable would not have a material impact on the results of operations and accordingly has recorded them at their net carrying value.

4. Property and Equipment, Net

The components of property and equipment on June 30, 2026 and 2025 are as follows:

	2026	2025
Building	$ 1,622,722	$ 1,583,031
Land	289,250	289,250
Transportation equipment	336,556	349,763
Fixtures and office equipment	253,165	253,165
Warehouse equipment	60,509	60,509
Software and website costs	42,130	42,130
Total property and equipment, at cost	2,604,332	2,577,848
Accumulated depreciation and amortization	(713,514)	(597,164)
Total property and equipment, net	$ 1,890,818	$ 1,980,684

Depreciation and amortization expense on property and equipment totaled $141,557 and $125,015 for the years ended June 30, 2026 and 2025, respectively.

5. Mortgage Loans Receivable, Net of Discounts

Mortgage loans receivable consist entirely of non-interest-bearing mortgage notes, secured by residential real estate, payable in monthly installments with maturities ranging from 15 to 40 years. These mortgages are originated through the Organization’s home building program.

The amounts presented in the consolidated statements of financial position are net of unamortized discounts arising from imputed interest on June 30, 2026 and 2025, as follows:

	2026	2025
Mortgages receivable (face value)	$ 11,261,996	$ 12,069,814
Unamortized discounts	(2,880,432)	(3,059,894)
Mortgage loans receivable, net of discounts	$ 8,381,564	$ 9,009,920

The following table shows the aging of mortgage loans receivable at June 30, 2026:

	First Mortgages	Second Mortgages	Total
31 - 60 days past due	$ 469,091	$ -	$ 469,091
61 - 90 days past due	210,734	-	210,734
Greater than 90 days past due	133,654	-	133,654
	813,479	-	813,479
Current mortgage loans receivable	7,585,984	2,862,533	10,448,517
	$ 8,399,463	$ 2,862,533	$ 11,261,996

The following table shows the aging of mortgage loans receivable at June 30, 2025:

	First Mortgages	Second Mortgages	Total
31 - 60 days past due	$ 836,465	$ -	$ 836,465
61 - 90 days past due	291,869	-	291,869
Greater than 90 days past due	240,724	-	240,724
	1,369,058	-	1,369,058
Current mortgage loans receivable	7,942,849	2,757,907	10,700,756
	$ 9,311,907	$ 2,757,907	$ 12,069,814

Contractual maturities of mortgage loans receivable on June 30, 2026 are as follows:

2027	$ 1,589,334
2028	1,530,817
2029	1,379,473
2030	1,257,950
2031	1,011,849
Thereafter	4,492,573
	$ 11,261,996

6. Notes Payable and Secured Borrowings, Net

PNC Community Development Company, LLC
Prior to fiscal year 2025, Funding Company had two secured notes with PNC Community Development Company, LLC ("PNC") that were collateralized by mortgage loans acquired from Habitat. These arrangements were accounted for as secured borrowings under Accounting Standards Codification ("ASC") Topic 860, *Transfers and Servicing*.

In 2025, Secured Notes 1 and 2 were extinguished in accordance with ASC Topic 470-50*, Debt - Modifications and Extinguishments*. Due to the extinguishment, the balance of Secured Notes 1 and 2 was derecognized and a loss of $343,798 was recorded for the difference between the net carrying value of the secured borrowings and the fair value of the PNC Bank debt. In connection with this extinguishment, the unpaid principal balances of the notes were converted to a fixed rate term loan with PNC Bank (see below).

PNC Bank
On June 29, 2025, the Organization entered into a refinancing agreement with PNC Bank, in connection with the extinguishment of debt held with PNC Community Development Company, LLC (see above), consolidating secured borrowings into a single note totaling $1,932,737. The terms of the note require monthly principal and interest payments of $14,851 and accrue interest at a fixed rate of 4.5%. The note matures on May 29, 2040, at which time the balance of all outstanding principal and interest becomes due. The promissory note requires the Organization to adhere to various financial covenants and is collateralized by real property in Orange County, Florida. As of June 30, 2026 and 2025, the outstanding principal balance on the note was $1,833,104 and $1,925,617, respectively.

IberiaBank
On October 20, 2017, Habitat entered into a Loan Purchase Agreement ("Agreement") with IberiaBank ("Iberia") to sell certain residential mortgage loans secured by residential dwellings. The loans are sold without recourse; however, Habitat is required to repurchase loans that become nonperforming, as defined, and Iberia is required to purchase replacement loans. From 2017 through 2020, Habitat entered into various transactions under the Agreement involving the sale of residential mortgage loans to Iberia. Certain transactions resulted in debt discounts representing the difference between the proceeds received and the aggregate unpaid principal balances of the loans, which are amortized over the lives of the underlying mortgage loans. During fiscal year 2020, Habitat also exchanged certain mortgages with Iberia in connection with nonperforming mortgages. The transactions with Iberia are accounted for as secured borrowings in accordance with Accounting Standards Codification Topic 860, *Transfers and Servicing*.

As of June 30, 2026 and 2025, the outstanding secured borrowings due to Iberia, net of unamortized debt discounts of $315,144 and $356,236, respectively, were $2,845,573 and $3,190,020, respectively. Installment payments are due monthly in accordance with the amortization schedules of the underlying mortgage loans.

In connection with the Agreement, Habitat services the loans and receives a servicing fee of $10 per loan per month, which is netted against monthly loan payments collected by Habitat and remitted to Iberia. Servicing fees for the years ended June 30, 2026 and 2025 were immaterial.

Valley National Bank
In December 2021, the Organization assigned certain mortgage loans to Valley National Bank for proceeds equal to 98% of the outstanding principal balances of the loans and retained the related mortgage servicing rights. Proceeds from the transaction totaled $608,116 net of a discount of $12,411. The transaction is accounted for as a secured borrowing. At June 30, 2026 and 2025, the outstanding principal balances associated with these assigned mortgages were $461,362 and $493,618, respectively, with unamortized discounts of $9,566 and $10,187, respectively.

United Community Bank (formerly Seaside Bank)
On February 22, 2022, the Organization entered into a refinancing agreement with Seaside Bank, consolidating various debt agreements held with LC Realty Associates, LLC into a single promissory note in the amount of $1,289,750. The terms of the promissory note require monthly principal and interest payments of $9,220. Interest accrues at a fixed rate of 3.5%. The promissory note matures on September 22, 2032, at which time the balance of all outstanding principal and interest becomes due. As of June 30, 2026 and 2025, the outstanding principal balance on the note was $986,263 and $1,060,569, respectively. The promissory note requires the Organization to adhere to various financial covenants and is collateralized by real property in Orange County, Florida.

City of Orlando Community Development Block Grant Loan
During the year ended June 30, 2021, the Organization expended $100,000 of federal funding awarded through the City of Orlando (the "City") for rehabilitation of its office location in Orange County, Florida. The grant agreement constitutes a non-interest-bearing promissory note containing various restrictive covenants, including that the Organization retain ownership of the rehabilitated property for a period of five years.

The promissory note matured on September 30, 2025, at which time the outstanding balance became due and payable. The note provided for full forgiveness by the City upon the Organization's compliance with all loan covenants during the five-year compliance period. At June 30, 2025, the outstanding balance was reported as long-term debt on the consolidated statement of financial position. During the year ended June 30, 2026, the City legally released the debt after determining that all program requirements had been satisfied, and the Organization recognized grant revenue related to the forgiven balance.

On June 30, 2026, future maturities on the lines of credit, notes payable, and secured borrowings are as follows:

	Lines of Credit	Notes Payable	Secured Borrowings	Total
2027	$ 332,582	$ 174,025	$ 641,158	$ 1,147,765
2028	508,092	181,067	640,600	1,329,759
2029	-	188,831	626,413	815,244
2030	-	196,714	594,764	791,478
2031	-	204,931	452,882	657,813
Thereafter	-	1,873,799	666,262	2,540,061
Total future maturities	840,674	2,819,367	3,622,079	7,282,120
Less: Unamortized discounts	-	-	(324,710)	(324,710)
Less: Unamortized loan costs	-	(20,505)	-	(20,505)
	$ 840,674	$ 2,798,862	$ 3,297,369	$ 6,936,905

7. Lines of Credit

The Organization maintains an unsecured revolving line of credit with United Community Bank (formerly Seaside Bank) in the amount of $2,000,000. Under the agreement in effect at June 30, 2026, borrowings accrued interest at the prime rate, subject to a 5.50% floor, with monthly interest-only payments and all outstanding principal due at maturity in July 2026. Subsequent to year-end, the line was renewed through July 2028 and modified to bear interest at SOFR plus 2.72%, subject to a 5.50% floor. Monthly interest-only payments remain due, with all outstanding principal payable at maturity. No amounts were outstanding under the line of credit at June 30, 2026 or 2025.

The Organization has a revolving line of credit with the Florida Community Loan Fund in the amount of $1,250,000. The line accrues interest at 6.5% and is payable monthly with all unpaid principal due at maturity on January 31, 2028. The line of credit is secured by the land and buildings owned by the Organization. On June 30, 2026 and 2025, the outstanding balance on the line of credit was $508,092 and $200,900, respectively.

The Organization obtained a land line of credit with the Florida Community Loan Fund in the amount of $1,000,000. Interest accrues at 5.625% and is payable monthly with all unpaid principal due at maturity on December 31, 2026. The line of credit is secured by the checking account of the Organization. On June 30, 2026 and 2025, the outstanding balance on the line of credit was $332,582 and $941,972, respectively.

The line of credit agreements require certain financial covenants be met. The Organization was in compliance with these financial covenants as of and for the years ended June 30, 2026 and 2025.

8. Transactions with Habitat International

The Organization remits a portion of its revenues to Habitat International, its affiliate, as further discussed in Note 1. These funds are used to construct homes in economically depressed areas around the world, and therefore these amounts are included as fees and donations to affiliates within the Organization's program services on the consolidated statements of activities. For each of the years ended June 30, 2026 and 2025, the Organization contributed $5,000 to Habitat International. Stewardship and sustainability fees and other costs paid to Habitat International totaled approximately $67,185 and $67,395 for the years ended June 30, 2026 and 2025, respectively. The Organization also receives donations from Habitat International, which totaled $6,000 for the years ended June 30, 2026 and 2025, and are included in contributions on the accompanying consolidated statements of activities and changes in net assets.

9. Functional Allocation of Expenses

The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. A portion of general and administrative costs that benefit multiple functional areas (indirect costs) have been allocated across program and supporting services based on estimated time spent by employees involved with those areas. Other general and administrative expenses, including depreciation and amortization and rent, are allocated based on employee head count and estimated square footage prorated compared to total space used.

10. Net Assets Without Donor Restrictions

The Organization's net assets without donor restrictions are comprised of undesignated amounts to be used for program and operating expenditures at management's discretion and Board designated amounts of $478,606 at June 30, 2026 and 2025, which may not be spent by management without the approval of the Board of Directors. The Board designated amounts were established as a reserve account to fund operations upon approval of the Board during times of financial hardship.

11. Net Assets With Donor Restrictions

At June 30, 2026 and 2025, net assets with donor restrictions consist of contributions restricted by purpose or time and due in future periods as follows:

	2026	2025
For periods subsequent to year end	$ 20,000	$ 40,000
	$ 20,000	$ 40,000

12. Financial Assets and Liquidity Resources

The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditures on June 30, 2026 and 2025 are as follows:

	2026	2025
Cash, cash equivalents, and restricted cash	$ 3,202,454	$ 3,483,659
Grants and contributions receivable due within one year	267,625	212,756
Total financial assets available within one year	3,470,079	3,696,415
Less: Amounts unavailable for general expenditures within one year		
Board designated for operating reserves	(478,606)	(478,606)
Total financial assets available to management for general expenditures within one year	$ 2,991,473	$ 3,217,809

As part of the Organization's liquidity management, it has a policy to structure its financial assets according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash. Additionally, the Organization has access to revolving credit lines as described in Note 7. Amounts due on long-term debt obligations have not been reflected in the above table.

13. Leases

The Organization is obligated under financing lease agreements for certain office equipment that expire on various dates through June 2028, with total combined payments of approximately $460 per month. At June 30, 2026 and 2025, equipment under financing leases in the consolidated statements of financial position consists of the following:

	2026	2025
Right-of-use assets for equipment under financing leases	$ 23,894	$ 23,894
Accumulated amortization	(15,171)	(10,620)
	$ 8,723	$ 13,274

Total amortization expense of right-of-use assets for equipment under financing leases was $4,551 for each of the years ended June 30, 2026 and 2025, and is included in depreciation and amortization expense in the accompanying consolidated statements of functional expenses. Interest expense related to financing leases totaled $940 and $1,270 and is included in interest and borrowing expenses on the consolidated statements of functional expenses for the years ended June 30, 2026 and 2025, respectively.

Weighted average discount rate related to the financing leases is 7.50%. At June 30, 2026 and 2025, the weighted average remaining life of the Organization's leases was 1.92 and 2.92 years, respectively. Cash paid for financing leases for each of the years ended June 30, 2026 and 2025 totaled $5,520.

The following represents the future lease payments due under the Organization's financing lease obligations as of June 30, 2026:

2027	$ 5,520
2028	5,259
	10,779
Less: Imputed interest	(755)
Right-of-use liabilities - financing	$ 10,024

14. Employee Benefit Plan

The Organization has a qualified 403(b) savings plan for all eligible employees. Employees may contribute between 1% to 92% of their compensation, as defined to the plan. The Organization is permitted to make discretionary non-elective and discretionary matching contributions. Non-elective and matching contributions made by the Organization for the years ended June 30, 2026 and 2025 totaled $145,131 and $146,074, respectively, and are included in payroll expenses in the accompanying consolidated statements of functional expenses.

15. Donor Concentration

The Organization has one donor that accounted for 14% of total contribution revenue for the year ended June 30, 2026. For the year ended June 30, 2025, one donor accounted for 23% of total contribution revenue. There was no receivable balance related to these donors at June 30, 2026 or 2025.

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors of
Habitat for Humanity Greater Orlando and Osceola County and Subsidiary:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards"*), the consolidated financial statements of Habitat for Humanity Greater Orlando and Osceola County and Subsidiary (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2026, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



October 29, 2026