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, 2024 and 2023

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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 statement of financial position as of June 30, 2024, 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.

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, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with 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. 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.

Emphasis of Matter – Discontinued Operations

As discussed in Note R to the consolidated financial statements, the Organization discontinued operations of the Habitat ReStores during the year ended June 30, 2024. Our opinion is not modified with respect to this matter.

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Other Matter – Prior Period Restatement

As part of our audit of the 2024 consolidated financial statements, we also audited the adjustments described in Note R that were applied to restate the 2023 consolidated financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the 2023 consolidated financial statements of the Organization other than with respect to the adjustments, and, accordingly, we do not express an opinion or any other form of assurance on the 2023 consolidated financial statements as a whole.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 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 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 generally accepted auditing standards 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 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.

Prior Period Financial Statements

The consolidated financial statements of Habitat for Humanity of Pinellas County, Inc., and Subsidiaries DBA: Habitat for Humanity Tampa Bay Gulfside as of and for the year ended June 30, 2023, were audited by other auditors whose report dated October 25, 2023, expressed an unmodified opinion on those statements.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying consolidated schedule of expenditures of federal awards and state financial assistance, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and Chapter 10.650, *Rules of the Auditor General,* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2024, 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 solely 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. That 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.

Rivero, Gordimer & Company, P.A.

Tampa, Florida
October 28, 2024

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS	2024	2023
Cash and cash equivalents	$ 12,571,396	$ 14,688,183
Assets held in escrow	1,978,657	1,541,730
Accounts receivable	938,602	368,871
Unconditional promises to give, net	272,722	325,578
Habitat ReStore inventory	-	163,081
Investments	9,471,475	5,099,845
Homes under construction	4,329,875	2,745,884
Land held for development	7,795,322	7,505,895
Property and equipment, net	508,125	865,314
Operating right-of-use assets	1,440,791	2,084,019
Mortgages receivable, net	623,723	618,431
Other mortgages receivable	452,476	475,846
Other receivables	285,305	322,042
Beneficial interest in assets held by community foundations	1,684,320	1,507,542
Investment in joint venture	4,032,750	4,032,750
Deferred affordable housing notes receivable	350,000	350,000
Other assets	429,958	559,356
TOTAL ASSETS	$ 47,165,497	$ 43,254,367
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	$ 1,290,140	$ 1,193,927
Refundable advances	44,000	138,001
Escrow deposits	1,565,836	1,276,372
Down payments and advance payments	193,665	118,965
Operating lease liabilities	1,487,955	2,142,415
Finance lease liabilities	70,496	17,070
Note payable, net	6,934,439	7,071,219
Deferred affordable housing note payable	350,000	350,000
Total liabilities	11,936,531	12,307,969
Net assets		
Without donor restrictions	34,521,244	30,456,920
With donor restrictions	707,722	489,478
Total net assets	35,228,966	30,946,398
TOTAL LIABILITIES AND NET ASSETS	$ 47,165,497	$ 43,254,367

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, 2024
(With summarized comparative totals for the year ended June 30, 2023)

	Year Ended June 30, 2024			
	Without Donor Restrictions	With Donor Restrictions	Total	2023
Support and revenue				
Contributions:				
Cash	$ 3,561,151	$ 504,000	$ 4,065,151	$ 3,712,537
Estates and trusts	121,109	-	121,109	3,314
Donated land	-	482,385	482,385	467,317
Building materials and services	1,128,896	-	1,128,896	841,651
Transfers to homeowners	24,799,349	-	24,799,349	22,529,617
Foundations and grants	3,808,204	-	3,808,204	1,299,815
Special events revenue, net of $384,400	347,086	-	347,086	647,846
Mortgage discount amortization	69,015	-	69,015	168,352
Other	93,858	-	93,858	74,939
Net assets released from restrictions	768,141	(768,141)	-	-
Total public support and revenue	34,696,809	218,244	34,915,053	29,745,388
Expenses				
Program services	29,438,850	-	29,438,850	24,810,245
General and administrative	660,908	-	660,908	896,763
Fundraising	447,641	-	447,641	550,585
Total expenses	30,547,399	-	30,547,399	26,257,593
Other income (expenses)				
(Loss) gain on sale of assets	(18,858)	-	(18,858)	115,131
Investment income	834,349	-	834,349	404,786
Interest expense	(51,679)	-	(51,679)	(51,679)
Debt forgiveness	-	-	-	210,000
Changes in net assets from continued operations	4,913,222	218,244	5,131,466	4,166,033
Change in net assets from discontinued operations (Note R)	(848,898)	-	(848,898)	(108,319)
Change in net assets	4,064,324	218,244	4,282,568	4,057,714
Net assets at beginning of year	30,456,920	489,478	30,946,398	26,888,684
Net assets at end of year	$ 34,521,244	$ 707,722	$ 35,228,966	$ 30,946,398

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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions:			
Cash	$ 3,553,896	$ 158,641	$ 3,712,537
Estates and trusts	3,314	-	3,314
Donated land	414,417	52,900	467,317
Building materials and services	841,651	-	841,651
Transfers to homeowners	22,529,617	-	22,529,617
Foundations and grants	1,299,815	-	1,299,815
Special events revenue, net of $370,077	647,846	-	647,846
Mortgage discount amortization	168,352	-	168,352
Other	74,939	-	74,939
Net assets released from restrictions	377,693	(377,693)	-
Total public support and revenue	29,911,540	(166,152)	29,745,388
Expenses			
Program services	24,810,245	-	24,810,245
General and administrative	896,763	-	896,763
Fundraising	550,585	-	550,585
Total expenses	26,257,593	-	26,257,593
Other income (expenses)			
Gain on sale of assets	115,131	-	115,131
Investment income	404,786	-	404,786
Interest expense	(51,679)	-	(51,679)
Debt forgiveness	210,000	-	210,000
Changes in net assets from continued operations	4,332,185	(166,152)	4,166,033
Change in net assets from discontinued operations (Note R)	(108,319)	-	(108,319)
Change in net assets	4,223,866	(166,152)	4,057,714
Net assets at beginning of year	26,233,054	655,630	26,888,684
Net assets at end of year	$ 30,456,920	$ 489,478	$ 30,946,398

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 STATEMENT OF CASH FLOWS

For the years ended June 30,

	2024	2023
Cash flows from operating activities		
Change in net assets from continuing operations	$ 5,131,466	$ 4,166,033
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	99,479	174,863
Amortization of intangibles	16,467	18,831
Amortization of loan costs	9,225	9,115
Amortization of mortgage discounts	(69,015)	(168,352)
Bad debt expense	18,134	12,325
Net unrealized and realized gain on investments	(360,687)	(236,045)
Gain on sale of property held for investment or sale	(138,417)	(105,631)
Loss (gain) on sale of assets	157,275	(9,500)
Donated land for development	(482,385)	(467,317)
Forgiveness of debt	-	(210,000)
Decrease (increase) in:		
Accounts receivable	(569,731)	(203,191)
Other receivables	36,737	(7,840)
Unconditional promises to give	34,722	110,217
Land held for development	(737,576)	(2,434,515)
Operating right-of-use assets	379,841	323,743
Homes under construction	(1,583,991)	2,707,296
Other assets	(61,069)	(136,920)
(Decrease) increase in:		
Accounts payable and accrued expenses	96,213	532,099
Escrow deposits	289,464	213,465
Down payments and advance payments	74,700	32,685
Lease liabilities - operating	(358,442)	(255,377)
Deferred revenue	(94,001)	(61,999)
Net cash provided by continuing operating activities	1,888,409	4,003,985
Change in net assets from discontinued operations	(848,898)	(108,319)
Adjustments to reconcile change in net assets from discontinued operating activities:		
Depreciation	84,252	13,497
Loss on disposal of segment	189,786	-
Decrease in inventory	163,081	37,884
Operating right-of-use assets	93,710	100,345
Lease liabilities - operating	(102,774)	(110,315)
Net cash used by discontinuing operating activities	(420,843)	(66,908)
Net cash provided by operating activities	1,467,566	3,937,077

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

CONSOLIDATED STATEMENT OF CASH FLOWS - CONTINUED

For the years ended June 30,

	2024	2023
Cash flows from investing activities from continuing operations		
Proceeds from sale of land held for development and investment	1,068,951	156,035
Proceeds from sale of property and equipment	-	9,500
Purchases of property and equipment	(19,025)	(160,777)
Transfer of assets to community foundations	(10,000)	(17,698)
Purchases of investments	(4,218,049)	(5,040,088)
Distributions from investment in joint venture	40,328	40,417
Proceeds from sale and payments received on mortgages	87,093	324,286
Net cash used by investing activities from continuing operations	(3,050,702)	(4,688,325)
Cash flows from investing activities from discontinued operations		
Proceeds from sale of property and equipment	65,000	-
Net cash provided by investing activities from discontinued operations	65,000	-
Cash flows from financing activities from continuing operations		
Payments on notes payable	(1,744,507)	(3,117,677)
Proceeds from notes payable	1,598,502	1,007,392
Principal payments on finance lease obligations	(15,719)	(12,807)
Net cash used by financing activities from continued operations	(161,724)	(2,123,092)
Net change in cash and cash equivalents	(1,679,860)	(2,874,340)
Cash at beginning of year (including assets held in escrow)	16,229,913	19,104,253
Cash at end of year (including assets held in escrow)	$ 14,550,053	$ 16,229,913
Supplemental disclosure of cash flow information		
Interest paid	$ 43,870	$ 70,318
Income taxes paid	$ -	$ -
Supplemental information of noncash investing and financing transactions:		
Operating lease right-of-use assets and liabilities recorded as a result of adoption of ASC 842	$ -	$ 1,805,873
Lease right-of-use assets obtained in exchange for new lease liability	$ 161,586	$ 702,234
Transfer of property to homeowners through issuance of mortgage receivable	$ 20,721,604	$ 17,717,161

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, 2024
(With summarized comparative totals for the year ended June 30, 2023)

		Supporting Services				
	Program Services	General and Administrative	Fundraising	Total Supporting Services	Total 2024	Total 2023
Salaries, and related expenses						
Salaries	$ 3,787,907	$ 293,564	$ 238,097	$ 531,661	$ 4,319,568	$ 4,178,370
Benefits	588,102	26,006	20,957	46,963	635,065	610,875
Retirement Plan	110,411	7,000	5,995	12,995	123,406	103,436
Total salaries and net expenses	4,486,420	326,570	265,049	591,619	5,078,039	4,892,681
Building materials and supplies	22,422,685	-	-	-	22,422,685	18,623,445
Insurance and taxes	213,445	-	-	-	213,445	175,462
Repairs and maintenance	133,421	-	-	-	133,421	86,452
Office supplies, equipment, utilities	317,242	43,346	9,873	53,219	370,461	457,521
Printing and advertising	280,898	7,428	52,408	59,836	340,734	270,164
Travel	84,574	35,026	1,167	36,193	120,767	106,747
Professional services	535,926	91,275	18,569	109,844	645,770	548,692
Miscellaneous	215,662	111,346	71,232	182,578	398,240	319,237
Rent	280,071	29,343	29,343	58,686	338,757	242,673
Bad debt expense	18,134	-	-	-	18,134	12,325
Support of Habitat for Humanity International	351,000	-	-	-	351,000	328,500
Total expenses before depreciation and other	29,339,478	644,334	447,641	1,091,975	30,431,453	26,063,899
Depreciation and amortization	99,372	16,574	-	16,574	115,946	193,694
Total expenses	$ 29,438,850	$ 660,908	$ 447,641	$ 1,108,549	$ 30,547,399	$ 26,257,593

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, 2023

		Supporting Services			
	Program Services	General and Administrative	Fundraising	Total Supporting Services	Total 2023
Salaries, and related expenses					
Salaries	$ 3,405,318	$ 433,905	$ 339,147	$ 773,052	$ 4,178,370
Benefits	548,742	33,388	28,745	62,133	610,875
Retirement Plan	87,994	9,245	6,197	15,442	103,436
Total salaries and net expenses	4,042,054	476,538	374,089	850,627	4,892,681
Building materials and supplies	18,623,445	-	-	-	18,623,445
Insurance and taxes	175,462	-	-	-	175,462
Repairs and maintenance	86,452	-	-	-	86,452
Office supplies, equipment, utilities	385,799	68,788	2,934	71,722	457,521
Printing and advertising	189,821	12,800	67,543	80,343	270,164
Travel	88,485	18,045	217	18,262	106,747
Professional services	345,483	169,844	33,365	203,209	548,692
Miscellaneous	187,216	80,090	51,931	132,021	319,237
Rent	201,661	20,506	20,506	41,012	242,673
Bad debt expense	12,325	-	-	-	12,325
Support of Habitat for Humanity International	328,500	-	-	-	328,500
Total expenses before depreciation and other	24,666,703	846,611	550,585	1,397,196	26,063,899
Depreciation and amortization	143,542	50,152	-	50,152	193,694
Total expenses	$ 24,810,245	$ 896,763	$ 550,585	$ 1,447,348	$ 26,257,593

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

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 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 purposed 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 consist 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, 2024 and 2023.

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, 2024 and 2023, the Organization recorded allowances in the amount of $50,000 and $66,000, respectively.

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

9. Habitat ReStore Inventory

Habitat ReStore inventory includes donated and purchased household building materials, appliances and furniture that are sold at the Habitat ReStores. Donated merchandise is stated at its estimated fair value, which is determined based on its future economic benefit. During the year ended June 30, 2024 and 2023, the Organization estimated the fair value of donated merchandise to be approximately $561,000 and $1,295,000, respectively. Purchased merchandise is stated at lower of cost or net realizable value, with cost being determined by the first-in, first-out method.

10. 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 85 and 75 homes to homeowners during the years ended June 30, 2024 and 2023, respectively.

11. 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.

12. 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 10 years. Maintenance and repairs are charged to expense as incurred, while renewals and betterments in excess of $1,000 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

13. 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 35 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

14. 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.

15. 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.

16. Beneficial Interest in Assets Held by Community Foundations

The beneficial interest in assets held by community foundations is 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 (loss) in the consolidated statements of activities and changes in net assets.

17. 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.

18. 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.

19. 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 and Habitat ReStore sales. 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 Habitat ReStore sales at a point in time when control of the goods is passed to the customer, which typically occurs at point of sale and is also when customer payment is collected. Sales from the Habitat ReStore are reported net of sales tax collected.

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.

20. 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, 2024 and 2023, contributed non-financial assets recognized within the consolidated statements of activities included:

	2024	2023
Building materials and services	$ 1,128,897	$ 841,651
Land	482,384	467,317
Habitat ReStore merchandise	561,048	1,295,435
	$ 2,172,329	$ 2,604,403

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 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 selected 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.

The Organization receives contributed merchandise to be sold in the Habitat ReStore. These items are sorted, and those that can be renovated or reconditioned are processed by Organization employees and converted to salable merchandise. Donated merchandise is recorded as contribution revenue and an increase in donated merchandise sold. The value of donated items at estimated fair value is based on the Organization's ultimate selling price. The items that cannot be renovated or reconditioned are sold as salvage. Proceeds from the sale of contributed non-cash assets are used to fund the Organization's programs. Due to the ReStores closing during the year, there was no contributed merchandise recorded for the year ended June 30, 2024.

21. <u>Advertising Costs</u>

Advertising costs are expensed as incurred and were approximately $352,000 and $291,000 for the years ended June 30, 2024 and 2023, respectively.

22. <u>Income Tax Status</u>

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.

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

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 had 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 2021.

23. 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.

24. Adoption of New Accounting Standard

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments- Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. On July 1, 2023, the Organization adopted the new accounting standard and all the related amendments using the modified retrospective method. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no significant impact on the Organization's financial statements.

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

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842), to increase transparency and comparability among organizations related to their leasing arrangements. This comprehensive new standard amends and supersedes existing lease accounting guidance and is intended to increase transparency and comparability among organizations by recognizing right-of-use (ROU) lease assets and lease liabilities on the statement of financial position and requiring disclosure of key information about leasing arrangements. Lease expense continues to be recognized in a manner similar to legacy U.S. GAAP. The Organization adopted the new lease standard on July 1, 2022 using the optional transition method to the modified retrospective approach.

25. Prior Period Restatement Due to Discontinued Operations

As discussed in Note R to the consolidated financial statements, the Organization decided to close its Habitat ReStores. This decision led to the reclassification of the segment's results as discounted operations. Consequently, the consolidated financial statements for the prior period have been restated to reflect this change.

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,:

	2024	2023
Cash and cash equivalents, less use restrictions of $105,000 and $10,000 at June 30, 2024 and 2023 respectively, and refundable advances of $44,000 and $138,001 at June 30, 2024 and 2023, respectively	$ 12,422,396	$ 14,540,182
Accounts receivable - other	938,602	368,871
Mortgage receivable (due in less than one year)	92,331	93,632
Unconditional promises to give (due in less than one year)	175,196	221,594
Investments	9,471,475	5,099,845
Total financial assets available in a year	$ 23,100,000	$ 20,324,124

NOTE C - UNCONDITIONAL PROMISES TO GIVE

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

	2024	2023
Gross unconditional promises to give	$ 344,650	$ 417,893
Less allowance	(50,000)	(66,000)
Less unamortized discount	(21,928)	(26,315)
Unconditional promises to give, net	$ 272,722	$ 325,578

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

	2024	2023
Amounts due in:		
Less than one year	$ 175,196	$ 221,594
One to four years	169,454	196,299
	$ 344,650	$ 417,893

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 3%.

At June 30, 2024 and 2023, approximately $18,000 and $12,000, 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,:

	2024	2023
Vehicles	$ 285,328	$ 354,536
Furniture and fixtures	56,906	53,166
Buildings	178,840	192,267
Leasehold improvements	440,687	772,975
Signage	22,206	22,206
Construction equipment	26,248	26,248
Office equipment	321,319	295,977
	1,331,534	1,717,375
Less accumulated depreciation	(823,409)	(852,061)
	$ 508,125	$ 865,314

Depreciation expense was approximately $184,000 and $188,000 for the years ended June 30, 2024 and 2023, respectively.

NOTE E - MORTGAGE RECEIVABLE, NET

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

	2024	2023
Non-interest bearing loans at par value	$ 1,251,251	$ 1,220,520
Less unamortized discount based on imputed interest	(627,528)	(602,089)
	$ 623,723	$ 618,431

As of June 30, 2024 and 2023, 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, 2024.

NOTE E - MORTGAGE RECEIVABLE, NET - Continued

As of June 30, 2024, 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,	
2025	$ 92,331
2026	81,211
2027	76,330
2028	71,567
2029	69,072
Thereafter	860,740
	$ 1,251,251

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 10.0% 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 year ended June 30, 2024, was 8.02%. No loans required a discount calculation in 2023. 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, 2024 and 2023, the Organization sold mortgage receivables with a face value of approximately $23.3 million and $21.5 million, respectively. The Organization recognized no gain on sale of mortgages during the years ended June 30, 2024 and 2023.

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, 2024 and 2023, there were no investment of mortgages receivable secured by real estate for which formal foreclosure proceedings.

NOTE F - INVESTMENTS

As of June 30, 2024, investments of $9,430,225 consist of United States of America Treasury notes maturing between September 30, 2024 and September 30, 2028 with interest rates ranging from 0.375% to 3%. Additionally, the Organization held certificate of deposits with interest rates ranging from 4.94% to 5.15%. As of June 30, 2023, investments of $5,099,845 consist solely of United States of America Treasury notes maturing between September 30, 2023 and September 30, 2027 with interest rates ranging from 0.25% and 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. 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 $181,000 and $133,000 in earnings on these accounts for the years ended June 30, 2024 and 2023, respectively. The portfolio is managed by an investment company with oversight by PCF and CFTB. As of June 30, 2024 and 2023, the Organization’s investment in beneficial interest in assets held by community foundations totaled approximately $1,684,000 and $1,508,000, 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, 2024 and 2023, is as follows:

	2024			
	Fair Value	Level 1	Level 2	Level 3
Investments				
Money market funds	$ 203,267	$ 203,267	$ -	$ -
Certificate of deposits	4,092,932	-	4,092,932	-
U.S. Treasury obligations	5,134,026	-	5,134,026	-
Beneficial interest in assets held by community foundations	1,684,320	-	-	1,684,320
Total investments	$ 11,114,545	$ 203,267	$ 9,226,958	$ 1,684,320

NOTE H - FAIR VALUE MEASUREMENTS - Continued

	2023			
	Fair Value	Level 1	Level 2	Level 3
Investments				
Money market funds	$ 90,901	$ 90,901	$ -	$ -
U.S. Treasury obligations	5,008,944	-	5,008,944	-
Beneficial interest in assets held by community foundations	1,507,542	-	-	1,507,542
Total investments	$ 6,607,387	$ 90,901	$ 5,008,944	$ 1,507,542

There were no liabilities measured at fair value on a recurring basis at June 30, 2024 and 2023. 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, 2024 and 2023, 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, 2024 and 2023:

Balance as of June 30, 2022	$ 1,374,226
Additions	17,698
Distributions	(499)
Change in beneficial interests	116,117
Balance as of June 30, 2023	1,507,542
Additions	10,000
Distributions	(6,961)
Change in beneficial interests	173,739
Balance as of June 30, 2024	$ 1,684,320

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, 2024 and 2023, 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:

	2024 (unaudited)	2023 (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,:

	2024	2023
Loan payable to Habitat International as part of the SHOP 2015 grant with monthly payments of $677 beginning July 2019, at 0% interest; maturing July 2023.	$ -	$ 3,389
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.	26,116	48,340
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.	74,042	100,574

NOTE J - NOTES PAYABLE - Continued

	2024	2023
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.	22,216	31,072
Loan 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.	19,039	25,375
Loan payable to Habitat International as part of the SHOP 2020 grant with total monthly payments of $580 beginning July 2024, at 0% interest; maturing between July 2028.	55,312	27,843
Loan payable to Habitat International as part of the SHOP 2021 grant with monthly payments of $441 beginning July 2026, at 0% interest, maturing July 2030.	13,812	-
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.	452,476	475,846
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
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	45,000	45,000

NOTE J - NOTES PAYABLE - Continued

	2024	2023
Note payable to Pinellas County for the purchase of Habitat Pinellas Park Sub property with 0% interest. Effective October 2023, the loan was extended to have principal payments due at the earlier of the borrowers' sale of the property or October 2023.	-	112,000
Note payable of $90,000 to Pinellas County for the purchase of property with 0% interest. Principal is due at the earlier of the borrowers' sale of the property or December 2023.	-	90,000
Note payable of $250,000 to Pinellas County for the purchase of property with 0% interest. Principal is due at the earlier of the borrowers' sale of the property or June 2025.	250,000	250,000
Loan payable of $177,500 to City of Clearwater for construction of a single-family housing unit with 0% interest. Principal is due at the earlier of the borrowers' sale of the home or May 2026.	105,420	-
	7,077,433	7,223,439
Debt issuance costs, net	(142,994)	(152,220)
	$ 6,934,439	$ 7,071,219

The following is a summary of future contractual debt maturities during each of the following years ending June 30,:

Years ending June 30:	Total
2025	$ 467,965
2026	97,733
2027	83,935
2028	52,789
2029	34,116
Thereafter	6,340,895
	$ 7,077,433

NOTE J - NOTES PAYABLE - Continued

During the year ended June 30, 2024 and 2023, the Organization incurred no debt issuance costs in connection with the issuance of notes payable above. 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,:

	2024	2023
Loan costs	$ 184,509	$ 184,509
Less accumulated amortization	(41,515)	(32,289)
Total debt issuance costs, net	$ 142,994	$ 152,220

Interest expense related to the debt issuance costs for each of the years ended June 30, 2024 and 2023, was approximately $9,000.

NOTE K - NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	2023
Subject to expenditure for specified purpose or time restriction:		
Unconditional promises to give, net of unamortized discount	$ 322,722	$ 391,578
Use restriction	105,000	10,000
Donated land	250,000	67,900
Subject to spending policy:	677,722	469,478
Beneficial interest in assets held by community foundations	30,000	20,000
	$ 707,722	$ 489,478

NOTE K - NET ASSETS WITH DONOR RESTRICTIONS - Continued

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,:

	2024	2023
Unconditional promises to give, net of unamortized discount	$ 447,857	$ 281,184
Use restriction	20,000	70,000
Donated land	300,284	26,509
	$ 768,141	$ 377,693

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 and $77,000 at June 30, 2024 and 2023, respectively, and is included in property and equipment on the consolidated statements of financial position.

The Organization leases office and warehouse spaces under non-cancelable operating lease agreements with various expiration dates through May 2029. The Organization leased retail space for a Habitat ReStore. In April 2024, the Organization paid approximately $88,000 to early terminate the lease. See Note R for additional information.

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.

NOTE L - LEASES - Continued

The components of lease expense for the year ended June 30, 2024 and 2023, are as follows:

	2024	2023
Operating lease cost	$ 541,913	$ 487,599
Variable lease cost	31,193	53,267
Total operating lease cost	573,106	540,866
Finance lease cost - amortization of right-of-use assets	6,115	13,202
Finance lease cost - interest on lease liabilities	1,416	751
Total finance lease cost	7,531	13,953
	$ 580,637	$ 554,819

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, 2024:

Years ending June 30:	Finance Leases	Operating Leases
2025	$ 16,296	$ 451,574
2026	16,296	467,855
2027	16,296	268,015
2028	16,296	207,490
2029	13,580	195,410
Thereafter	-	-
Total minimum lease payments	78,764	1,590,344
Less implied interest portions included in payments	(8,268)	(102,388)
Present value of lease liabilities	$ 70,496	$ 1,487,956

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,:

	2024	2023
Weighted-average remaining lease term:		
Operating leases	3.89 years	4.00 years
Finance leases	4.83 years	1.67 years
Weighted-average discount rate:		
Operating leases	3.79%	3.07%
Finance leases	4.76%	3.00%

NOTE M - COMMITMENTS AND CONTINGENCIES

Homes under construction: The Organization has a Pasco County multi-family project on Little Road consisting of nearly a 5-acre site and anticipates building 21 single-family homes. The Master Planned Unit Development (MPUD) was approved on August 21, 2024 by Pasco Board of County Commission with the site application submitted upon MPUD approval. It is estimated to take approximately 6 months to complete the site plan permitting with the infrastructure commencing shortly after construction. Total construction timeframe is 24 to 30 months.

Purchases: At June 30, 2024 and 2023, the Organization had commitments to purchase land totaling approximately $78,000 and $665,000, respectively.

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, 2024.

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 $351,000 and $328,500 to Habitat International during the years ended June 30, 2024 and 2023, 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, 2024 and 2023, consolidated statements of financial position. The amounts will be forgiven in 2026 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. 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 $452,000 and $476,000 at June 30, 2024 and 2023, 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, 2024 and 2023.

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 $138,000 and $112,000, for the years ended June 30, 2024 and 2023, respectively.

NOTE R - DISCONTINUED OPERATIONS

In March 2024, the Organization closed all of their Restores in order to focus their operating efforts on their homeowner operations. Below are the significant items included on the Consolidated Statement of Activities related to the discontinued operations:

	2024	2023
Support and revenue		
Habitat ReStore merchandise	$ 561,048	$ 1,295,435
Sales - Habitat ReStore	802,795	1,652,676
Total public support and revenue	1,363,843	2,948,111
Expenses		
Program services	2,022,993	3,056,430
Total expenses	2,022,993	3,056,430
Loss on disposal of assets	(189,748)	-
Change in net assets from discontinued operations	$ (848,898)	$ (108,319)

NOTE S - 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,:

	2024	2023
Cash grants from Habitat International passed through from the U.S. Government	$ 464,794	$ 249,826
Cash grants from other grantors/donors	454,577	138,001
	$ 919,371	$ 387,827

NOTE T - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to June 30, 2024 as of October 28, 2024, which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

June 30, 2024

Federal Agency Pass-Through Entity Federal Program Cluster/Title	Assistance Listing Number	Pass-Through Entity Identifying/Contract Number	Pass-Through Subrecipients	Total Expenditures	
U.S. Department of Housing and Urban Development (HUD)					
Passed through Pinellas County, Florida:					
CDBG - Entitlement Grant Cluster					
Community Development Block Grants/Entitlement Grants	14.218	N/A	$ -	$ 350,000	*
Community Development Block Grants/Entitlement Grants	14.218	N/A	-	90,000	*
Community Development Block Grants/Entitlement Grants	14.218	N/A	-	250,000	*
Total CDBG - Entitlement Grant Cluster			-	690,000	
Passed through City of St. Petersburg, Florida:					
HOME Investment Partnerships Program	14.239	N/A	-	15,000	*
HOME Investment Partnerships Program	14.239	N/A	-	15,000	*
HOME Investment Partnerships Program	14.239	N/A	-	15,000	*
HOME Investment Partnerships Program	14.239	N/A	-	14,000	*
Passed through City of Clearwater, Florida:					
HOME Investment Partnerships Program	14.239	N/A	-	191,000	
HOME Investment Partnerships Program	14.239	N/A	-	22,920	
HOME Investment Partnerships Program	14.239	N/A	-	171,500	
HOME Investment Partnerships Program	14.239	N/A	-	20,580	
HOME Investment Partnerships Program	14.239	N/A	-	153,200	
HOME Investment Partnerships Program	14.239	N/A	-	18,384	
HOME Investment Partnerships Program	14.239	N/A	-	191,000	
HOME Investment Partnerships Program	14.239	N/A	-	22,932	
HOME Investment Partnerships Program	14.239	N/A	-	191,000	
HOME Investment Partnerships Program	14.239	N/A	-	22,932	
HOME Investment Partnerships Program	14.239	N/A	-	177,500	
Total Assistance Listing Number 14.239			-	1,241,948	
Passed through Habitat for Humanity International, Inc.:					
Self-Help Homeownership Opportunity Program	14.247	N/A	-	236,593	*
Self-Help Homeownership Opportunity Program	14.247	N/A	-	41,282	
Self-Help Homeownership Opportunity Program	14.247	N/A	-	129,371	
Total Assistance Listing Number 14.247			-	407,246	
Passed through Habitat for Humanity International, Inc.:					
Section 4 Capacity Building for Community Development and Affordable Housing	14.252	N/A	-	24,038	
Total Assistance Listing Number 14.252			-	24,038	
Total U.S. Department of Housing and Urban Development (HUD)			-	2,363,232	
Total expenditures of federal awards			$ -	$ 2,363,232	

* This represents the balance of a loan from a previous year with continuing compliance requirements.

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

June 30, 2024

State Grantor/Pass-Through Grantor/Program or Cluster Title	State CSFA Number	Pass-Through Entity Identifying/Contract Number	Pass-Through Subrecipients	Total Expenditures
Florida Housing Finance Corporation				
Passed through Pinellas County, Florida:				
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	$ -	$ 28,880 *
Passed through City of Clearwater, Florida:				
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	-	191,000
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	-	22,920
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	-	191,000
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	-	22,920
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	-	172,000
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	-	20,640
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	-	177,550
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	-	204,600
Total Florida Housing Finance Corporation			-	1,031,510
Department of Commerce				
Direct Projects				
Division of Housing and Community Development	40.038	N/A	-	1,545,423
Total Department of Commerce			-	1,545,423
Total expenditures of state projects			$ -	$ 2,576,933

* This represents the balance of a loan from a previous year with continuing compliance requirements.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

June 30, 2024

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Habitat for Humanity of Pinellas County, Inc. (the “Organization”). The information in this Schedule is presented in accordance with the requirements of Subpart F of *Title 2 U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization. Some amounts presented in the Schedule may differ from amounts presented or used in the preparation of the consolidated financial statements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - INDIRECT COSTS

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE D - SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM

HUD’s Self-Help Homeownership Opportunity Program (SHOP) grants and loans were passed through to Habitat by Habitat for Humanity International, Inc. (Habitat International). The SHOP Agreement stipulates that 75% of each sub-grant from Habitat International to the affiliate is in the form of a grant and 25% is in the form of a loan. The awards provided under ALN 14.247 for SHOP were as follows for the year ended June 30, 2024:

Pass-Through Grantor	Identifying Number	Federal Expenditures
Habitat International	SHOP 2015 - Existing Loan	$ 3,389
Habitat International	SHOP 2016 - Existing Loan	48,340
Habitat International	SHOP 2017 - Existing Loan	100,574
Habitat International	SHOP 2018 - Existing Loan	31,072
Habitat International	SHOP 2019 - Existing Loan	25,375
Habitat International	SHOP 2020 - Existing Loan	27,843
Habitat International	SHOP 2020 - New Loan	27,470
Habitat International	SHOP 2021 - New Loan	13,812
Habitat International	SHOP 2020 - Grant	82,410
Habitat International	SHOP 2021 - Grant	46,961
		$ 407,246

NOTE D - LOANS

The Organization has the following loan balances at June 30, 2024:

ALN / CSFA #	Description	Original Loan Amount	Balance at July 1, 2023	New loans	Payments	Balance at June 30, 2024
14.218	Shady Grove	$ 350,000	$ 350,000	$ -	$ -	$ 350,000
14.218	1201 Gooden Crossing	90,000	90,000	-	-	90,000
14.218	1310 Gooden Crossing	250,000	250,000	-	-	250,000
14.239	3818 14th Ave S.	15,000	15,000	-	-	15,000
14.239	3743 31st Ave S.	15,000	15,000	-	-	15,000
14.239	1220 22nd Ave S.	15,000	15,000	-	-	15,000
14.239	2119 Union Street	14,000	14,000	-	-	14,000
14.239	1147 Engman	191,000	-	191,000	(191,000)	-
14.239	1149 Engman	171,500	-	171,500	(171,500)	-
14.239	1406 Pennsylvania Ave	153,200	-	153,200	(153,200)	-
14.239	1104 Beckett St	191,000	-	191,000	(191,000)	-
14.239	1203 Blanche B Littlejohn	191,000	-	191,000	(191,000)	-
14.239	1122 LaSalle	177,500	-	105,420	-	105,420
14.247	SHOP 2015 - Loans	32,500	3,389	-	(3,389)	-
14.247	SHOP 2016 - Loans	23,750	48,340	-	(22,224)	26,116
14.247	SHOP 2017 - Loans	40,625	100,574	-	(26,532)	74,042
14.247	SHOP 2018 - Loans	65,625	31,072	-	(8,856)	22,216
14.247	SHOP 2019 - Loans	35,500	25,375	-	(6,336)	19,039
14.247	SHOP 2020 - Loans	55,313	27,843	27,470	-	55,313
14.247	SHOP 2021 - Loans	21,204	-	13,812	-	13,812
40.901	6215 67th Way N	240,000	28,880	-	(28,880)	-

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

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, the consolidated financial statements of Habitat for Humanity of Pinellas County, Inc. and Subsidiaries DBA: Habitat for Humanity Tampa Bay Gulfside (the "Organization"), which comprise the Organization's consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the consolidated financial statements), and have issued our report thereon dated October 28, 2024.

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 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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

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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 results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rivero, Gordimer & Company, P.A.

Tampa, Florida
October 28, 2024

RIVERO, GORDIMER & COMPANY, P.A.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Habitat for Humanity of Pinellas County, Inc. and Subsidiaries DBA: Habitat for Humanity Tampa Bay Gulfside (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and State of Florida Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended June 30, 2024. The Organization's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General.* Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program or state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Rivero, Gordimer & Company, P.A.

Tampa, Florida
October 28, 2024

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP	Unmodified
Internal control over financial reporting	
Material weakness(es) identified?	___ yes **X** no
Significant deficiency(ies) identified?	___ yes **X** none reported
Noncompliance material to financial statements noted?	___ yes **X** no

Federal Awards and State Projects

Internal control over financial reporting	
Material weakness(es) identified?	___ yes **X** no
Significant deficiency(ies) identified?	___ yes **X** none reported
Type of auditors' report issued on compliance for major federal programs ?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ yes **X** no

Identification of major federal programs:

Federal Program

Assistance Listing Number	Name of Federal Program or Cluster
14.239	Home Investment Partnerships Program

State Project

CSFA Number	Name of State Project
40.901	State Housing Initiatives Partnership Program
40.038	Division of Housing and Community Development

Dollar threshold used to distinguish between type A and type B programs - Federal and State:	$ 750,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance (not applicable for State Projects)?	**X** yes ___ no

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2024

Section II - Financial Statements Findings

No matters were reported for the year ended June 30, 2024.

Section III - Findings and Questioned Costs for Federal Award and State Financial Assistance

No matters were reported for the year ended June 30, 2024.

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the year ended June 30, 2024

Prior Year Audit Findings:

Finding 2023-001: Significant Deficiency in Internal Controls Related to Adoption of Financial Accounting Standards

Finding:
An error was identified in management's adoption of and accounting for ASC 842, *Leases*. Upon the initial adoption of ASC 842, management classified operating leases as finance leases incorrectly. Additionally, one lease was modified in March of 2023 and the modification was not assessed and taken into account when determining the operating right-of-use asset and operating lease liabilities at June 30, 2023. Review procedures should be designed to identify potential U.S. GAAP departures.

Status: Recommendations were implemented.