

# **Habitat for Humanity of Greater Dayton, Inc.**

**Financial Statements  
June 30, 2025 and 2024, and  
Independent Auditors' Report**

**HABITAT FOR HUMANITY OF GREATER DAYTON, INC.**

**June 30, 2025 and 2024**

**Contents**

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## Independent Auditors' Report

To the Board of Trustees of  
Habitat for Humanity of Greater Dayton, Inc.  
Dayton, Ohio

### Opinion

We have audited the accompanying financial statements of Habitat for Humanity of Greater Dayton (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity of Greater Dayton as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Habitat for Humanity of Greater Dayton and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Correction of Error

As discussed in Note 1 to the financial statements, the 2024 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

**Independent Auditors' Report  
(Continued)**

**Auditors' Responsibilities for the Audit of the Financial Statements (Continued)**

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Habitat for Humanity of Greater Dayton's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Habitat for Humanity of Greater Dayton'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.

*Barnes, Dennig & Co., Ltd.*

January 22, 2026  
Dayton, Ohio

**HABITAT FOR HUMANITY OF GREATER DAYTON, INC.**

**Statements of Financial Position  
June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,467,899	\$ 2,165,822
Homes for sale or under construction	614,478	459,482
Other receivables	678,945	428,481
Prepaid expenses	40,992	34,182
Inventory	80,477	68
Investments	201,029	201,670
Land held for development	285,248	430,401
Mortgages receivable, net	2,651,420	2,754,125
Property and equipment, net	1,203,283	1,165,450
Right of use asset - operating	430,991	458,009
	<u>430,991</u>	<u>458,009</u>
Total assets	<u>\$ 9,654,762</u>	<u>\$ 8,097,690</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 129,104	\$ 113,459
Other accrued expenses	132,981	158,157
Escrow holding liability	159,182	151,429
Lease liabilities	433,125	464,089
Other liabilities	301,685	177,870
	<u>301,685</u>	<u>177,870</u>
Total liabilities	<u>1,156,077</u>	<u>1,065,004</u>
<b>Net assets</b>		
Without donor restrictions	8,431,115	6,965,116
With donor restrictions	67,570	67,570
	<u>67,570</u>	<u>67,570</u>
Total net assets	<u>8,498,685</u>	<u>7,032,686</u>
Total liabilities and net assets	<u>\$ 9,654,762</u>	<u>\$ 8,097,690</u>

See accompanying notes to financial statements

**HABITAT FOR HUMANITY OF GREATER DAYTON, INC.**

**Statements of Activities  
For the Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Revenues and support without donor restrictions</b>		
Contributions and grants	\$ 4,396,267	\$ 2,231,394
Home sales	611,000	1,304,201
ReStore sales	989,155	962,094
Non-cash donations - ReStore	1,045,318	960,780
Imputed interest on non-interest bearing mortgages	216,451	309,938
Other	297,125	128,217
Other non-cash donations	18,185	108,964
Investment return, net	10,272	34,690
Gain on sale of mortgages	-	702,813
	<u>7,583,773</u>	<u>6,743,091</u>
<b>Expenses</b>		
Program	5,580,819	5,351,544
Administrative	288,335	446,123
Fundraising	248,620	174,938
	<u>6,117,774</u>	<u>5,972,605</u>
<b>Change in net assets without donor restrictions</b>	<u>1,465,999</u>	<u>770,486</u>
<b>Net assets, beginning of year</b>	<u>7,032,686</u>	<u>6,262,200</u>
<b>Net assets, end of year</b>	<u><u>\$ 8,498,685</u></u>	<u><u>\$ 7,032,686</u></u>

See accompanying notes to financial statements

**HABITAT FOR HUMANITY OF GREATER DAYTON, INC.**

**Statements of Functional Expenses  
For the Year Ended June 30, 2025**

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Building services and supplies	\$ 1,730,713	\$ -	\$ -	\$ 1,730,713
Salaries and benefits	1,250,288	147,026	73,512	1,470,826
Non-cash donations - ReStore	964,909	-	-	964,909
Cost of homes sold	605,749	-	-	605,749
Mortgage discounts	386,174	-	-	386,174
Professional fees	13,041	84,766	32,603	130,410
Utilities	94,879	10,855	10,855	116,589
Depreciation	59,564	602	-	60,166
Insurance	50,182	23,160	3,860	77,202
Publicity and promotion	-	-	75,676	75,676
Cost of goods sold - ReStore	64,726	-	-	64,726
Interest and credit card fees	41,118	-	-	41,118
Office supplies, support and services	34,791	1,933	1,933	38,657
Travel and entertainment	7,607	1,902	28,525	38,034
Property maintenance and leases	60,683	-	-	60,683
Printing and postage	-	-	4,618	4,618
Other	216,395	18,091	17,038	251,524
	<u>\$ 5,580,819</u>	<u>\$ 288,335</u>	<u>\$ 248,620</u>	<u>\$ 6,117,774</u>

See accompanying notes to financial statements

**HABITAT FOR HUMANITY OF GREATER DAYTON, INC.**

**Statements of Functional Expenses  
For the Year Ended June 30, 2024**

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Building services and supplies	\$ 741,286	\$ -	\$ -	\$ 741,286
Salaries and benefits	1,060,050	206,503	110,135	1,376,688
Non-cash donations - ReStore	960,780	-	-	960,780
Cost of homes sold	1,317,480	-	-	1,317,480
Mortgage discounts	704,239	-	-	704,239
Professional fees	-	188,279	-	188,279
Utilities	55,242	6,350	1,905	63,497
Depreciation	50,909	5,657	-	56,566
Insurance	72,803	5,079	6,772	84,654
Publicity and promotion	20,873	870	21,743	43,486
Cost of goods sold - ReStore	40,108	-	-	40,108
Interest and credit card fees	40,510	2,132	-	42,642
Office supplies, support and services	26,016	1,734	1,156	28,906
Travel and entertainment	27,872	13,936	4,645	46,453
Property maintenance and leases	87,765	6,414	-	94,179
Printing and postage	4,488	236	-	4,724
Other	141,123	8,933	28,582	178,638
	<u>\$ 5,351,544</u>	<u>\$ 446,123</u>	<u>\$ 174,938</u>	<u>\$ 5,972,605</u>

See accompanying notes to financial statements

**HABITAT FOR HUMANITY OF GREATER DAYTON, INC.**

**Statements of Cash Flows  
For the Year Ended June 30, 2025 and 2024**

	2025	2024
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 1,465,999	\$ 770,486
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	60,166	56,566
Write off of mortgage receivable	46,884	-
Net realized and unrealized gains on investments	(12,889)	(23,270)
Discounts on new mortgages receivable	386,174	704,239
Amortization of mortgage discounts	(216,451)	(309,938)
Gain on sale of mortgages receivable	-	(702,813)
Changes in:		
Inventory	(80,409)	-
Homes for sale or under construction	(154,996)	249,324
Land held for development	145,153	(250,253)
Other receivables	(250,464)	(41,154)
Prepaid expenses	(6,810)	21,603
Accounts payable	15,645	(88,734)
Other accrued expenses	(25,176)	(175,464)
Escrow holding liability	7,753	(10,241)
Other liabilities	2,706	2,077
	1,383,285	202,428
<b>Net cash provided by operating activities</b>		
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	13,530	(931)
Origination of new mortgages receivable	(470,000)	(1,142,500)
Payments on mortgages receivable	356,098	686,104
Proceeds from sale of mortgages receivable	-	1,641,846
Purchase of property and equipment	(97,999)	(35,748)
	(198,371)	1,148,771
<b>Net cash provided by (used in) investing activities</b>		
<b>Cash flows from financing activities</b>		
Borrowings on line of credit	290,853	147,093
Payments on line of credit	(173,690)	(128,175)
	117,163	18,918
<b>Net cash provided by financing activities</b>		
<b>Net change in cash and cash equivalents</b>	1,302,077	1,370,117
<b>Cash and cash equivalents - beginning of year</b>	2,165,822	795,705
<b>Cash and cash equivalents - end of year</b>	\$ 3,467,899	\$ 2,165,822

See accompanying notes to financial statements

# HABITAT FOR HUMANITY OF GREATER DAYTON, INC

## Notes to Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Organization*

Habitat for Humanity of Greater Dayton, Inc. (HFHGD) is an affiliate of Habitat for Humanity International, Inc. ("Habitat International"), a nondenominational Christian non-profit organization whose purpose is to create decent, affordable housing for those in need, and to make decent shelter a matter of conscience with people everywhere. Although Habitat International assists with information resources, training, publications, prayer support, and in other ways, HFHGD is primarily and directly responsible for its own operations. HFHGD serves families in Montgomery, Greene and Clark counties in Ohio and is primarily supported through donor contributions, home sales and retail sales from its two ReStore locations in Dayton and Springfield, Ohio.

#### *Financial Statement Presentation*

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). HFHGD is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

#### *Fair Value Measurements*

GAAP has a three-level hierarchy for fair value measurements based on transparency of valuation inputs as of the measurement date. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows: Level 1 inputs are unadjusted quoted prices for identical assets in active markets; Level 2 inputs are observable quoted prices for similar assets in active markets; Level 3 inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

#### *Cash and cash equivalents*

HFHGD considers all liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents consist primarily of money market accounts. HFHGD maintains its cash in bank accounts which, at times, may exceed federally insured limits. HFHGD has not experienced any losses in its accounts and management believes it is not exposed to any significant credit risks on cash and cash equivalents.

#### *Investments*

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are valued at the lower of cost or fair value. Investment return includes dividends, interest and realized and unrealized gains and losses on investments. Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is recorded as revenues with donor restrictions and then released from restriction. Other investment return is reflected in the statements of activities as revenues with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions. HFHGD's investments do not have a significant concentration of credit or market risk within any industry, specific institution or group of investments.

# HABITAT FOR HUMANITY OF GREATER DAYTON, INC

## Notes to Financial Statements (Continued)

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***Mortgages Receivable***

Mortgages receivable consist of non-interest bearing mortgages, which are secured by real estate and payable in monthly installments. Most of the mortgages mature in 20-30 years. The receivable has been discounted using an imputed interest rate ranging from 7.00% to 9.00% based upon Habitat for Humanity International averages for low-income housing. Interest income is recorded over the lives of the mortgages using the effective interest method. HFHGD's estimate for allowance of loan losses is zero. HFHGD has had historical success in collecting and makes every effort for homebuyers to arrange repayment even when experiencing financial difficulties. HFHGD also believes the homes securing the notes are sufficient collateral to not experience loan losses.

#### ***Assets Held for Development***

Assets held for development are reported at cost or if donated, at fair market value at date of donation. Once development is complete, the properties are sold to arranged buyers with the selling price based upon a budgeted formula with excess basis expensed as program cost.

#### ***Property and Equipment***

Property and equipment are recorded at cost or, if donated or impaired, at fair value at the time of the gift or determination. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. Major improvements are capitalized, while maintenance and repairs are expensed as incurred.

HFHGD assesses the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as significant decrease in market value of the assets or a significant change in operating conditions. Based on its most recent analysis, HFHGD believes no impairments existed at June 30, 2025 and 2024.

#### ***Leases***

HFHGD determines if an arrangement is a lease at inception. Right of use (ROU) assets represent HFHGD's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. HFHGD uses rates implicit in the lease, if readily available. For leases that do not provide an implicit rate, a risk-free rate based on information available at commencement date is used in determining the present value of lease payments. HFHGD's lease terms may include options to extend or terminate the lease when it is reasonably certain that it will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

HFHGD accounts for lease and non-lease components as a single lease component. There may be variability in future lease payments as the amount of the non-lease component is typically revised from one period to the next. These variable lease payments are recognized in operating expenses in the period in which the obligation for those payments was incurred. HFHGD's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

## HABITAT FOR HUMANITY OF GREATER DAYTON, INC

### Notes to Financial Statements (Continued)

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *Leases (Continued)*

HFHGD made an accounting policy election that payments under agreements with an initial term of 12 months or less will not be included on the statement of financial position but will be recognized in the statement of activities on a straight-line basis over the term of the agreement. HFHGD has elected to apply the short-term lease exception on all classes of underlying assets.

##### *Contributions*

HFHGD records gifts of cash and other assets at their fair value as of the date of contribution. Such donations are recorded as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. A gift that is originally restricted by the donor and for which the restriction is met in the same year that the gift is received is recorded as revenue without donor restrictions.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, HFHGD reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Unconditional promises to give expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized and reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenues when the conditions are substantially met and the gift becomes unconditional.

##### *In-Kind Donations*

HFHGD records donated services revenue in the period received only if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. However, many individuals volunteer their time and perform a variety of tasks that assist HFHGD.

##### *Home Sales*

A portion of HFHGD's revenue is derived from home sales during the year. Due to the nature of contracts, there is variable consideration in the form of a soft second mortgage that is due if a home is sold within a 30-year window and reduced to zero over the 30-year timeframe and only one performance obligation. Such revenue is conditioned upon meeting the performance obligation, and amounts received are recognized as revenue once the requirement has been met. Once construction is complete on a home and closing procedures have been completed, buyers take possession of the home and the performance obligation is considered to have been met. Each house sold has a defined purchase price based on a third-party appraisal. Contracts are considered to have commercial substance as they all involve a cash down payment and a signed promissory note, which is paid in accordance with the note terms.

## HABITAT FOR HUMANITY OF GREATER DAYTON, INC

### Notes to Financial Statements (Continued)

#### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### ***ReStore Sales***

A portion of HFHGD's revenue is derived from ReStore sales during the year. Such revenue is conditioned upon meeting one performance obligation, the sale transaction is completed at a ReStore location, and amounts received are recognized as revenue once the sale has been made. Once the sale is made, customers take possession of the goods purchased. These transactions are considered to be contracts with customers as they have commercial substance through the transaction of cash payment in return for the goods purchased. Due to the nature of these transactions, there is no variable consideration and only one performance obligation.

##### ***Functional Allocation of Expenses***

The cost of program and supporting services activities have been summarized on a functional classification basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services. Such allocations are determined by management on an equitable basis. The most significant allocations were salaries and related expenses, which were allocated based on time and effort.

##### ***Income Taxes***

HFHGD is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of Ohio law. However, HFHGD is subject to federal income tax on any unrelated business taxable income.

HFHGD's IRS Form 990 is subject to review and examination by Federal and state authorities. HFHGD believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements.

##### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

##### ***Reclassifications and Restatements***

Certain 2024 figures have been reclassified to conform to the 2025 presentation. The 2024 financial statements have also been restated to properly reflect non-cash donations received through HFHGD's ReStore locations. The effect of this restatement resulted in an increase in non-cash donations (revenues and expenses) of \$960,780 on the statement of activities and functional expenses and had no impact on the change in net assets for 2024.

##### ***Subsequent Event Evaluation***

Subsequent events have been evaluated through January 22, 2026, which is the date the financial statements were available to be issued.

## HABITAT FOR HUMANITY OF GREATER DAYTON, INC

### Notes to Financial Statements (Continued)

#### NOTE 2 LIQUIDITY AND AVAILABILITY

HFHGD's financial assets available within one year of the statement of financial position date for general expenses are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 3,467,899	\$ 2,165,822
Other receivables	678,945	428,481
Investments	201,029	201,670
Mortgages receivable expected to be collected within one year	310,267	458,544
Less escrow holding liabilities	(159,182)	(151,429)
Less funds held for other agencies	(301,685)	(177,870)
Less donor-restricted endowment	<u>(67,570)</u>	<u>(67,570)</u>
	<u>\$ 4,129,703</u>	<u>\$ 2,857,648</u>

Management structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. HFHGD regularly reviews the need for funds to meet operating obligations and to ensure the availability of cash or collateral to fulfill its obligations. In the event of an unanticipated liquidity need, HFHGD could also draw upon the available line of credit, as further discussed in Note 7.

#### NOTE 3 MORTGAGES RECEIVABLE

Mortgages receivable as of June 30, 2025 were \$6,495,469 and were valued, net of discount for imputed interest of \$3,844,049 on the statement of financial position. Mortgages receivable as of June 30, 2024 were \$6,428,452 and were valued, net of discount for imputed interest of \$3,674,327 on the statements of financial position.

HFHGD also records a second mortgage on properties sold below market value to protect the value of the sale. Second mortgages are forgiven over a specified period of time and HFHGD does not have a history of collecting cash on second mortgages. Accordingly, no value has been recognized for second mortgages as of June 30, 2025 and 2024.

During 2024, HFH sold certain loans to an investor pursuant to an agreement which includes recourse provisions that gives the investor the authority to require HFH to repurchase or substitute specific loans in the event that a borrower defaults on the loan for sixty (60) days or more. The principal balance of loans subject to these recourse provisions amounted to approximately \$2,059,997 and \$2,295,458 at June 30, 2025 and 2024, respectively. However, based on the loan default history of the loans sold and the loans being secured by a first mortgage on the property, management estimates that the recourse obligation for the loans sold is not material to the financial statements and has not recognized a liability as of June 30, 2025 and 2024.

## HABITAT FOR HUMANITY OF GREATER DAYTON, INC

### Notes to Financial Statements (Continued)

#### NOTE 4 INVESTMENTS AT FAIR VALUE

HFHGD holds its investments with the Dayton Foundation's pooled investment fund (the Fund), which was established to permit the combining of assets for investment and administrative purposes of HFHGD and other participating not-for-profit organizations. Net investment income of the Fund (representing interest and dividend income and net investment appreciation and depreciation) is allocated to the participating organizations based on their respective share of the Fund's assets. As the fair value of the Fund is estimated using HFHGD's proportionate share of the underlying investments and the fund contains certain assets that do not have a readily determinable fair value, these investments are classified within Level 2 of the fair value hierarchy. At June 30, 2025, HFHGD's investment of \$201,029 represented 12.31% of the Fund's total market value. The Fund's investments at June 30, 2025 were allocated as follows: 77% equity securities, 12% fixed income securities, 6% real assets, and 5% money market funds. At June 30, 2024, HFHGD's investment of \$201,670 represented 12.39% of the Fund's total market value. The Fund's investments at June 30, 2024 were allocated as follows: 80% equity securities, 11% fixed income securities, 6% real assets, and 3% money market funds.

#### NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment as of June 30 consisted of the following:

	<u>2025</u>	<u>2024</u>
Buildings and improvements	\$ 1,144,300	\$ 1,144,300
Land	118,150	118,150
Vehicles	390,765	299,496
Equipment and tools	80,578	102,386
Less accumulated depreciation	<u>(530,510)</u>	<u>(498,882)</u>
	<u>\$ 1,203,283</u>	<u>\$ 1,165,450</u>

#### NOTE 6 LEASES

HFHGD has operating and finance leases for a retail store and certain equipment. HFHGD's leases have remaining lease terms of 1 year to 14 years. As of June 30, 2025 and 2024, assets recorded under finance leases were \$20,541 and accumulated depreciation associated with finance leases was \$16,594 and \$13,042, respectively.

**HABITAT FOR HUMANITY OF GREATER DAYTON, INC**

**Notes to Financial Statements  
(Continued)**

**NOTE 6 LEASES (CONTINUED)**

The components of lease expense were as follows:

	2025	2024
Operating lease expense	\$ 27,018	\$ 25,767
Short-term lease expense	12,339	12,339
Finance lease expense		
Amortization of ROU assets	\$ 3,913	\$ 6,241
Interest on lease liabilities	185	408
Total finance lease expense	\$ 4,098	\$ 6,649

Other information related to leases is as follows:

	Operating	Finance
Operating cash flows	\$ 48,000	\$ 808
Financing cash flows	-	3,442
Weighted average remaining lease term	11.6 years	0.84 years
Weighted average discount rate	4.75%	3.25%

Future minimum lease payments under non-cancellable leases as of June 30, 2025 were as follows:

	Operating	Finance
2026	\$ 48,000	\$ 3,895
2027	48,000	-
2028	48,000	-
2029	48,000	-
2030	48,000	-
Thereafter	320,000	-
Total future minimum lease payments	560,000	3,895
Less imputed interest	(130,718)	(52)
Total	\$ 429,282	\$ 3,843

## HABITAT FOR HUMANITY OF GREATER DAYTON, INC

### Notes to Financial Statements (Continued)

#### NOTE 7 LINE OF CREDIT

HFHGD has a \$370,000 line of credit agreement with a bank to provide for project specific working capital requirements. The line of credit bears interest at the WSJ Prime Rate (7.50% at June 30, 2025) and expires on September 30, 2026. The outstanding balance on the line of credit as of June 30, 2025 was \$136,081.

HFHGD had a \$750,000 line of credit agreement with a bank to provide for normal working capital requirements. The line of credit bears interest at the WSJ Prime Rate (7.50% at June 30, 2025) and expires on March 25, 2026. There is no outstanding balance on the line of credit as of June 30, 2025 and 2024.

#### NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

HFHGD's net assets with donor restrictions consists of a donor-restricted endowment fund established to support its general mission. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Trustees of HFHGD follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which provides guidance on matters concerning the governance and management of donor-restricted endowment funds. Under UPMIFA, the original value of donated gifts to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument are classified as original corpus. The remaining portion of the donor-restricted endowment fund that is not classified as original corpus is classified as accumulated earnings until those amounts are appropriated for expenditure by the Board of Trustees.

#### NOTE 9 CONTRIBUTED NONFINANCIAL ASSETS

HFHGD recognizes contributed nonfinancial assets within revenue, including donated property, building supplies and professional services, as well as donated furniture and home goods for sale at its ReStore locations. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Non-cash donations received through ReStore operations are separately presented on the statement of activities. For the years ended June 30, other non-cash donations recognized within the statement of activities included:

	<u>2025</u>	<u>2024</u>
Building supplies	\$ 9,567	\$ 84,057
Professional services	8,618	15,887
Property	-	9,020
	<u>\$ 18,185</u>	<u>\$ 108,964</u>

## HABITAT FOR HUMANITY OF GREATER DAYTON, INC

### Notes to Financial Statements (Continued)

#### **NOTE 9 CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED)**

Contributed property and building supplies were utilized in building and repair programs. Contributed furniture and home goods are available for sale to the public through HFHGD's ReStore locations. HFHGD estimated the fair value on the basis of estimates for wholesale or retail values that would be received for selling similar products in the United States.

Contributed professional services recognized comprise professional services for building and repair programs. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar professional services.

#### **NOTE 10 RETIREMENT PLAN**

HFHGD sponsors a defined contribution retirement plan (the Plan) covering all employees who have completed minimum age and service requirements. HFHGD makes a contribution to the Plan up to 3% of the participant's compensation. Employer contributions to the Plan for the years ended June 30, 2025 and 2024 were \$21,927 and \$20,771.

#### **NOTE 11 EMPLOYER RETENTION CREDIT**

On December 27, 2020, the Consolidated Appropriations Act, 2021 (CAA) was signed into law, which substantially expanded the Employee Retention Tax Credit program (ERTC) to allow eligible employers to claim a credit on qualified employee wages retroactively to March 12, 2020, and through September 30, 2021. Eligibility and credit calculations under ERTC include meeting requirements based on either a decline in gross receipts during a comparative quarter, or full or partial suspension of operations by a COVID-19 government order.

HFHGD has estimated its eligibility under the program and filed with the Internal Revenue Service in May 2023 to claim credits during the ERTC period in the amount of \$312,901. HFHGD determined it has met the criteria for recognition of these credits in its financial statements, which is included on other receivables on the statement of financial position and contributions and grants on the statement of activities. In 2025, HFHGD received a payment of \$56,340, representing \$50,164 for claims for the quarter ended June 30, 2020 and \$6,176 of interest, and is still awaiting payment for the remaining outstanding claims.