



LEXINGTON HABITAT FOR HUMANITY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

LEXINGTON HABITAT FOR HUMANITY, INC.

TABLE OF CONTENTS JUNE 30, 2025 AND 2024

	Page
Report of Independent Auditors	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses.....	6
Statements of Cash Flows	8
Notes to Financial Statements	10



Blue & Co., LLC / 250 West Main Street, Suite 2900 / Lexington, KY 40507
main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Lexington Habitat for Humanity, Inc.
Lexington, Kentucky

Opinion

We have audited the accompanying financial statements of Lexington Habitat for Humanity, Inc. (Habitat), 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 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 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.

Substantial Doubt about Habitat's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that Habitat will continue as a going concern. As discussed in Note 17 to the financial statements, Habitat has suffered recurring losses and negative cash flows from operations. These factors raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty and 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.

To the Board of Directors
Lexington Habitat for Humanity, Inc.
Lexington, Kentucky

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

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

- Exercise professional judgement 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'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Habitat'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.

Blue & Co., LLC

Lexington, Kentucky
April 27, 2026

LEXINGTON HABITAT FOR HUMANITY, INC.

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2025 AND 2024

ASSETS		
	2025	2024
Cash	\$ 73,416	\$ 934,144
Accounts and grants receivable	37,818	276,488
Inventory	-0-	18,579
Prepaid expenses	117,867	78,516
Non-interest-bearing mortgage loans, net	2,926,650	3,254,829
Construction in progress	1,787,613	328,526
Land and property held for sale or development	415,535	682,418
Building, equipment, and right-of-use (ROU) assets, net	2,408,409	2,671,320
Investments at fair value	1,265,937	1,166,950
	<u> </u>	<u> </u>
Total assets	<u>\$ 9,033,245</u>	<u>\$ 9,411,770</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 191,044	\$ 116,809
Accrued liabilities	190,455	188,384
Refundable advances, homebuyer sponsorships	724,353	141,150
Operating lease liabilities	1,578,595	1,750,230
Line of credit	220,000	-0-
Notes payable	513,722	555,041
	<u> </u>	<u> </u>
Total liabilities	3,418,169	2,751,614
Net assets		
Without donor restrictions	4,305,080	5,460,828
With donor restrictions		
Purpose restricted for the		
Love Your Neighborhood program	41,559	32,378
Endowment fund	1,268,437	1,166,950
	<u> </u>	<u> </u>
Total net assets with donor restrictions	1,309,996	1,199,328
Total net assets	<u>5,615,076</u>	<u>6,660,156</u>
	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 9,033,245</u>	<u>\$ 9,411,770</u>

See accompanying notes to financial statements.

LEXINGTON HABITAT FOR HUMANITY, INC.

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2025

	Without donor restrictions	With donor restrictions	Total
Revenues and other support			
ReStore sales, net	\$ 1,652,151	\$ -0-	\$ 1,652,151
Grants	400,855	-0-	400,855
Transfers to homeowners	347,000	-0-	347,000
Program sponsorship revenue	147,629	111,703	259,332
Contributions and fundraising:			
Cash and other financial assets	263,209	4,653	267,862
Gifts in-kind	44,534	-0-	44,534
Interest income from mortgage discount amortization	223,609	-0-	223,609
Investment return, net	-0-	154,280	154,280
Special events, net of donor benefits	89,239	-0-	89,239
Gain from early payoff of mortgages	82,656	-0-	82,656
Other income	18,043	-0-	18,043
Income from repair-program recipients	6,911	-0-	6,911
Released from restrictions and used for programs:			
Love Your Neighborhood	102,522	(102,522)	-0-
Endowment spending	57,446	(57,446)	-0-
Total revenues and other support	3,435,804	110,668	3,546,472
Expenses			
Program	3,359,950	-0-	3,359,950
Management and general	807,800	-0-	807,800
Fundraising	423,802	-0-	423,802
Total expenses	4,591,552	-0-	4,591,552
Change in net assets	(1,155,748)	110,668	(1,045,080)
Net assets, beginning of year	5,460,828	1,199,328	6,660,156
Net assets, end of year	\$ 4,305,080	\$ 1,309,996	\$ 5,615,076

See accompanying notes to financial statements.

LEXINGTON HABITAT FOR HUMANITY, INC.

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2024

	Without donor restrictions	With donor restrictions	Total
Revenues and other support			
ReStore sales, net	\$ 1,601,944	\$ -0-	\$ 1,601,944
Transfers to homeowners	741,000	-0-	741,000
Grants	548,976	-0-	548,976
Program sponsorship revenue	378,651	96,512	475,163
Contributions and fundraising:			
Cash and other financial assets	348,947	5,150	354,097
Gifts in-kind	36,880	-0-	36,880
Interest income from mortgage discount amortization	118,768	-0-	118,768
Investment return, net	-0-	118,834	118,834
Special events, net of donor benefits	93,320	-0-	93,320
Other income	17,354	-0-	17,354
Gain from early payoff of mortgages	16,316	-0-	16,316
Gain on property dispositions	10,887	-0-	10,887
Income from repair-program recipients	6,631	-0-	6,631
Released from restrictions and used for programs:			
Love Your Neighborhood	87,331	(87,331)	-0-
Endowment spending	57,856	(57,856)	-0-
Total revenues and other support	<u>4,064,861</u>	<u>75,309</u>	<u>4,140,170</u>
Expenses			
Program	3,810,759	-0-	3,810,759
Management and general	795,519	-0-	795,519
Fundraising	318,441	-0-	318,441
Total expenses	<u>4,924,719</u>	<u>-0-</u>	<u>4,924,719</u>
Change in net assets	(859,858)	75,309	(784,549)
Net assets, beginning of year	<u>6,320,686</u>	<u>1,124,019</u>	<u>7,444,705</u>
Net assets, end of year	<u>\$ 5,460,828</u>	<u>\$ 1,199,328</u>	<u>\$ 6,660,156</u>

See accompanying notes to financial statements.

LEXINGTON HABITAT FOR HUMANITY, INC.

STATEMENT OF FUNCTIONAL EXPENSES **YEAR ENDED JUNE 30, 2025**

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,511,485	\$ 513,331	\$ 308,016	\$ 2,332,832
Building materials and supplies	706,276	-0-	-0-	706,276
Employee fringe benefits and payroll taxes	397,017	111,130	59,348	567,495
Amortization expense, ROU assets	171,635	-0-	-0-	171,635
Office expenses	75,270	15,110	28,842	119,222
Repairs and maintenance	92,970	13,892	4,121	110,983
Depreciation expense	40,251	51,025	-0-	91,276
Insurance	62,951	16,549	6	79,506
Special events, donor benefits	-0-	-0-	73,350	73,350
Utilities	65,944	793	635	67,372
Professional fees	6,126	48,800	11,055	65,981
Interest expense, leases	54,354	-0-	-0-	54,354
Bank and merchant account charges	35,485	88	5,216	40,789
Interest expense	9,578	27,964	-0-	37,542
Habitat for Humanity International, Inc. fees and tithes	37,000	-0-	-0-	37,000
Vehicle expense	34,003	-0-	-0-	34,003
Partner family expenses	23,751	-0-	-0-	23,751
ReStore cost of goods sold	21,740	-0-	-0-	21,740
Advertising	11,443	-0-	-0-	11,443
Postage	5,299	1,197	2,625	9,121
Seminars and conferences	4,702	2,422	1,959	9,083
Travel and training	2,793	2,480	1,916	7,189
Rent expense	5,269	-0-	-0-	5,269
Telephone	4,365	79	63	4,507
Equipment rental	1,093	2,940	-0-	4,033
Post sale home repairs	890	-0-	-0-	890
Total expenses	<u>3,381,690</u>	<u>807,800</u>	<u>497,152</u>	<u>4,686,642</u>
Less expenses included with revenues in the statement of activities	<u>(21,740)</u>	<u>-0-</u>	<u>(73,350)</u>	<u>(95,090)</u>
Total expenses included in the expense section of the statement of activities	<u>\$ 3,359,950</u>	<u>\$ 807,800</u>	<u>\$ 423,802</u>	<u>\$ 4,591,552</u>

See accompanying notes to financial statements.

LEXINGTON HABITAT FOR HUMANITY, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2024

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,348,793	\$ 494,150	\$ 235,773	\$ 2,078,716
Building materials and supplies	1,414,762	-0-	-0-	1,414,762
Employee fringe benefits and payroll taxes	349,330	98,025	44,681	492,036
Amortization expense, ROU assets	161,807	-0-	-0-	161,807
Office expense	72,091	15,474	23,535	111,100
Repairs and maintenance	85,184	11,250	4,085	100,519
Depreciation expense	40,617	57,137	-0-	97,754
Insurance	56,525	15,543	12	72,080
Special events, donor benefits	-0-	-0-	69,535	69,535
Professional fees	20,251	47,640	264	68,155
Utilities	61,873	825	660	63,358
Interest expense, leases	59,758	-0-	-0-	59,758
Interest expense	10,046	31,994	-0-	42,040
Bank and merchant account charges	33,366	48	2,485	35,899
Vehicle expense	28,455	-0-	-0-	28,455
Habitat for Humanity International, Inc. fees and tithes	22,000	-0-	-0-	22,000
Seminars and conferences	527	15,975	1,761	18,263
Partner family expenses	15,834	-0-	13	15,847
ReStore cost of goods sold	15,306	-0-	-0-	15,306
Advertising	7,874	-0-	1,925	9,799
Travel and training	2,722	3,657	1,513	7,892
Rent expense	6,467	-0-	-0-	6,467
Equipment rental	2,608	2,985	-0-	5,593
Telephone	4,109	78	62	4,249
Postage	2,342	738	672	3,752
Post sale home repairs	3,418	-0-	-0-	3,418
Credit loss expense	-0-	-0-	1,000	1,000
Total expenses	3,826,065	795,519	387,976	5,009,560
Less expenses included with revenues in the statement of activities	(15,306)	-0-	(69,535)	(84,841)
Total expenses included in the expense section of the statement of activities	\$ 3,810,759	\$ 795,519	\$ 318,441	\$ 4,924,719

See accompanying notes to financial statements.

LEXINGTON HABITAT FOR HUMANITY, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Operating Activities		
Change in net assets	\$ (1,045,080)	\$ (784,549)
Adjustments to reconcile change in net assets to net change from operating activities:		
Depreciation and amortization	262,911	259,561
Transfers to homeowners - financed by Habitat	(150,000)	(298,000)
Imputed interest income from non-interest bearing mortgage loans	(223,609)	(118,768)
Realized and unrealized gains on investments	(112,698)	(87,485)
(Gain) loss on property dispositions	-0-	(10,887)
Changes in operating assets and liabilities:		
Accounts and grants receivable	238,670	(129,249)
Inventory	18,579	(13,482)
Prepaid expenses	(39,351)	11,877
Construction in progress	(1,459,087)	130,553
Land and property held for sale or development	266,883	(73,277)
Accounts payable	74,235	(30,708)
Accrued liabilities	2,071	5,100
Refundable advance	583,203	32,809
Operating lease liabilities	(171,635)	(161,807)
Net cash flows from operating activities	(1,754,908)	(1,268,312)

See accompanying notes to financial statements.

LEXINGTON HABITAT FOR HUMANITY, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Investing Activities		
Proceeds from sales of property and equipment	-0-	10,887
Purchases of property and equipment	-0-	(38,391)
Non-interest-bearing mortgage loan payments received	701,788	574,341
Proceeds from sales of investments	167,296	297,696
Purchases of investments	(153,585)	(276,339)
Net cash flows from investing activities	715,499	568,194
Financing Activities		
Borrowings on line-of-credit	220,000	-0-
Payments on notes payable	(41,319)	(49,980)
Net cash flows from financing activities	178,681	(49,980)
Net change in cash	(860,728)	(750,098)
Cash, beginning of year	934,144	1,684,242
Cash, end of year	<u>\$ 73,416</u>	<u>\$ 934,144</u>
Cash payments for:		
Interest on debt	<u>\$ 37,542</u>	<u>\$ 42,040</u>
Supplemental non-cash investing and financing transactions:		
Discount on current year non-interest-bearing mortgage loans	<u>\$ 336,278</u>	<u>\$ 185,448</u>

See accompanying notes to financial statements.

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Lexington Habitat for Humanity, Inc. (Habitat), a nonprofit corporation, was incorporated on November 26, 1986. Habitat is an affiliate of Habitat for Humanity International, Inc. (Habitat International), a nonprofit organization whose purpose is to create decent, affordable housing for those in need, and to make decent shelter a matter of conscience with people everywhere. Although Habitat International assists with information resources, training, publications, prayer support, and in other ways, Habitat is primarily and directly responsible for its own operations.

Habitat operates a discount home improvement outlet called ReStore. ReStore sells donated new and gently used furniture, home accessories, building supplies, and appliances. All ReStore proceeds benefit Habitat.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis and have been prepared with a focus on the entity as a whole. Accordingly, revenues are recognized as performance obligations are satisfied and expenses are recognized when they are incurred. Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of Habitat are classified and reported as follows:

Net assets without donor restrictions: Net assets that are currently available for operating purposes under the direction of the board or designated by the board for specific use.

Net assets with donor restrictions: Net assets subject to donor stipulations for specific operating purposes or time restrictions. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with investment return available for operations or specific purposes.

Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported revenues and expenses. Actual results could differ from those estimates.

Cash

Habitat maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. Habitat has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on cash. At June 30, 2025 and 2024, the amounts of cash in excess of federally insured limits totaled approximately \$0 and \$765,000, respectively.

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

Investments

Investments in equity and debt securities that have a readily determinable fair value are reported at fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Accounts Receivable

Habitat records an allowance for credit losses for financial assets carried at amortized cost, which represents the net amount expected to be collected. The allowance for credit losses is based on losses expected to arise over the contractual term of the asset. Assets are written off when Habitat deems the financial assets to be uncollectible. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, which do not exceed the aggregate of previous write-offs, are included in determining the allowance.

Management estimates an allowance for credit losses based on historical experience, the current economic environment, and management's expectations of future economic conditions based on reasonable and supportable forecasts. Habitat also applies adjustments for specific factors and current economic conditions, as needed, at each reporting date. Management utilizes aging schedules for estimating expected credit losses. In evaluating loss rates, accounts receivable are pooled into categories based on days past due. Significantly aged receivables are evaluated individually by credit worthiness and historical experience with the customers. Account balances are written off against the allowance when management deems the amount is uncollectible. There were no material amounts deemed uncollectible at June 30, 2025 and 2024 and no amounts accrued or written off in fiscal years 2025 and 2024.

Non-interest-bearing Mortgage Loans, Net

Habitat records and accounts for non-interest-bearing loans using the discounted cash flow method based on Habitat's current incremental borrowing rates for similar types of borrowing arrangements. These rates vary from 7.38% to 8.14% based upon the prevailing market rate at the inception of the mortgages. Discounts are amortized using the effective interest method over the lives of the mortgages. The discounted carrying amount of these loans approximates their fair value. An expense is recorded upon the sale of the houses for the difference between the face value of the mortgage loans receivable and the present value of the loans. The mortgages are secured by the real estate and due in monthly installments over the life of the mortgages, which range from 15 to 40 years. Some homeowners are able to borrow the full appraised value of the home via one Habitat non-interest-bearing loan. For other homeowners, two notes are issued: one being the amount the board has set (the first note), the other being the difference between the amount of the first note and the appraised value of the home. After a period of time designated in the mortgage, the second note, which is not recorded by Habitat, is forgiven, annually, at a prorated amount designated in the mortgage such that before or at the maturity date of the first note, the second note would be forgiven in full. Habitat's policy is to work closely with homeowners to avoid defaulted mortgages.

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

Habitat has not recorded an allowance for uncollectible mortgages because it can reclaim houses through foreclosure. Though some of these mortgages may be foreclosed, Habitat believes that losses on foreclosure, if any, are immaterial in relation to these financial statements.

Inventory

Inventory consists of construction materials that were donated or purchased by Habitat. Inventory is valued at the market value of the donation or cost of the asset on the first in, first out method.

Construction in Progress

Construction in progress includes the direct and indirect costs of construction, land, and the estimated fair market value of donated materials and professional services used in construction of homes. Transfer to homeowners is recorded when the home is occupied and title is transferred.

Land and Property Held for Sale or Development

Land or property held for sale or development includes the cost of land and improvements or, if donated, the approximate fair value of the land at the date of the donation, held for sale or future development and properties previously transferred by Habitat which have been reclaimed in foreclosure, which are recorded at the outstanding first note balance at the date of foreclosure.

ReStore Inventory

Most of the store's merchandise has been donated by building supply stores and by individuals in the community. Because many of the donations are the result of overstocked items or are used items, the value of the donations is not readily determinable until such merchandise is sold. Therefore, retail inventory of the store has not been recorded in these financial statements. Retail sales are recorded at the point of sale.

Sales Taxes

Habitat operates a ReStore location in the state of Kentucky, which imposes a sales tax on Habitat's sales. Habitat collects sales tax from customers and remits the entire amount to the State. Habitat's accounting policy is to deduct the tax collected and remitted to the State from revenues.

Building and Equipment

Building and equipment consist of land, construction in progress, leasehold improvements, and furniture and equipment which are stated at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of the respective assets, which range from 5 to 40 years. Acquisitions of property and equipment in excess of \$2,000 are capitalized. The cost of repairs and maintenance is expensed as incurred.

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

Transfers to Homeowners

Traditionally, all Habitat homebuyers obtained financing from Habitat via non-interest-bearing mortgage loans. However, beginning in July 2018, most Habitat homebuyers finance their homes through interest-bearing first mortgage loans from an external lending institution, and a forgivable subordinate mortgage loan from Habitat for the difference between the amount of the appraised value of the home and the first mortgage plus any forgivable subordinate mortgage loans from grant funders. The proceeds from the first mortgage loan are paid to Habitat upon closing of the loan. The remaining homebuyers continue to obtain financing from Habitat via non-interest-bearing mortgage loans. In both situations, transfers to homeowners are recorded at the first mortgage amount. 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. Utilizing the effective interest method, this discount will be recognized as interest income over the term of the mortgage.

Revenue Recognition

Unconditional contributions are recorded when received as increases to net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as released from restrictions used for programs.

Conditional contributions are recorded when explicit conditions are met. Homebuyer sponsorships are conditional contributions where Habitat must complete the construction of sponsored homes. If the sponsored home builds are not fully constructed, any contributions received in advance would be returned to the sponsors. Therefore, homebuyer sponsorships received in advance of completion of the sponsored home builds are recorded as a refundable advance on the statement of financial position. After a sponsored home is fully constructed and transferred to the homebuyer, the amounts previously recorded as a refundable advance are recognized as revenue in the statement of activities.

Revenue from the sales of homes (contract revenue) is generally recognized at the time of the closing of the sale, when title and possession of the property are transferred to the buyer, and is reported at the amount that reflects the consideration to which Habitat expects to be entitled in exchange for building and transferring the home to the homeowner. These amounts are due from the homeowner and from third-party payors, which include governmental agencies. Included in grants revenue for the year ended June 30, 2025 and 2024 is approximately \$325,000 and \$421,000, respectively, related to such third-party payor arrangements. Included in accounts receivable at June 30, 2025 and 2024 is \$25,000 and \$190,000, respectively. The related building materials and supplies costs are recorded as expenses when the related revenue is recognized.

Revenue from ReStore sales (contract revenue) is recorded upon the delivery of the goods to the buyer, which is when the performance obligation is satisfied, and is reported net of any discounts.

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

Gifts In-kind

Property, equipment, land, materials, supplies, and services which are donated as support, are recorded at estimated fair values on the date of donation. Such donations are reported as net assets without donor restrictions unless the donor has restricted the contributions to a specific purpose. Assets donated with explicit restrictions as to their use are reported as net assets with donor restrictions. Habitat reports expirations of donor restrictions when the donated assets are placed in service as instructed by the donor. Habitat reclassifies net assets with donor restrictions to net assets without donor restrictions when the donor's restriction is satisfied.

A substantial number of volunteers have made significant contributions of time to assist Habitat's program and supporting services. No amounts have been recognized in the accompanying statements of activities for these volunteer services because accounting standards criteria for recognition have not been satisfied.

Advertising Costs

Advertising costs are expensed when incurred.

Functional Allocation of Expenses

The costs of providing the programs and services of Habitat have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the various programs and supporting activities benefited.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of Habitat. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Certain expenses not directly benefiting a certain program are allocated, including certain salaries and benefits, which are allocated based on employees' job responsibilities, and utilities and other facilities-related costs, which are allocated to each respective function based on square footage. While the methods of allocation are considered appropriate, other methods could produce different results.

Income Taxes

Habitat is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code). In addition, Habitat has been determined by the Internal Revenue Service not to be a private foundation within the context of Section 509(a) of the Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by Habitat and recognize a tax liability if Habitat has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by Habitat, and has concluded that as of June 30, 2025 and 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements. Habitat is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

Habitat has filed its federal information returns for periods through June 30, 2024. These information returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions).

Going Concern

Management evaluates whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern for a period of one year from the date the financial statements are available to be issued.

Subsequent Events

Habitat has evaluated events or transactions occurring subsequent to the statement of financial position date for recognition and disclosure in the accompanying financial statements through, April 27, 2026, the date which the financial statements were available to be issued.

Reclassification

Certain revenue amounts for the prior year were reclassified in the current year presentation. The reclassification had no impact on total revenues, expenses, assets, liabilities, or changes in net assets.

2. NON-INTEREST-BEARING MORTGAGE LOANS, NET

Maturities of non-interest-bearing mortgage loans receivable as of June 30, 2025 are as follows:

2026	\$	481,209
2027		410,349
2028		392,317
2029		375,438
2030		348,125
2031 and thereafter		3,080,206
		5,087,644
Less discount		(2,160,994)
	\$	2,926,650

As of June 30, 2024, non-interest-bearing mortgage loans receivable, net of unamortized discounts, totaled \$3,254,829.

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

3. CONSTRUCTION IN PROGRESS AND LAND AND PROPERTY HELD FOR SALE OR DEVELOPMENT

A summary of activity in construction in progress and land and property held for sale or development for the year ended June 30, 2025:

	Construction in progress	Land and property held for sale or development
Balance at June 30, 2024	\$ 328,526	\$ 682,418
Gifts in-kind and donations	23,722	-0-
Purchases and additional cost incurred	1,624,530	250,228
Transfers of land	517,111	(517,111)
Completed repair projects transferred out	(115,370)	-0-
Completed homes transferred out	(590,906)	-0-
Balance at June 30, 2025	<u>\$ 1,787,613</u>	<u>\$ 415,535</u>

A summary of activity in construction in progress and land and property held for sale or development for the year ended June 30, 2024:

	Construction in progress	Land and property held for sale or development
Balance at June 30, 2023	\$ 459,079	\$ 609,141
Gifts in-kind and donations	26,322	2,390
Purchases and additional cost incurred	1,006,227	338,160
Transfers of land	251,660	(251,660)
Completed repair projects transferred out	-0-	(15,613)
Recycled homes transferred out	(152,942)	-0-
Completed homes transferred out	(1,261,820)	-0-
Balance at June 30, 2024	<u>\$ 328,526</u>	<u>\$ 682,418</u>

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

4. BUILDINGS, EQUIPMENT, AND RIGHT-OF-USE ASSETS, NET

Building, equipment, and right-of-use assets, net consist of the following at June 30:

	2025	2024
Buildings and improvements	\$ 1,534,838	\$ 1,534,838
Right-of-use-assets, operating leases	3,171,496	3,171,496
Land	89,250	89,250
Office furniture	75,073	75,073
Warehouse equipment	87,107	87,107
Vehicles	270,929	270,929
	<u>5,228,693</u>	<u>5,228,693</u>
Less accumulated depreciation and amortization	2,820,284	2,557,373
	<u>\$ 2,408,409</u>	<u>\$ 2,671,320</u>

5. FAIR VALUE MEASUREMENTS

Major classes of assets and liabilities that are measured at fair value are categorized according to a fair value hierarchy that prioritizes the inputs to value techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Habitat has the ability to access.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

- Exchange-traded funds: Valued at the daily closing price as reported by the respective funds. These funds are registered with the Securities and Exchange Commission, publish their daily NAV, and transact at that price. Deemed to be actively traded.

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

Fair value measurements are as follows at June 30:

2025				
	Level 1	Level 2	Level 3	Total
Exchange-traded and closed-end funds	\$ 1,162,415	\$ -0-	\$ -0-	\$ 1,162,415
Total assets at fair value	<u>\$ 1,162,415</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>1,162,415</u>
Cash				103,522
Total investments				<u>\$ 1,265,937</u>

2024				
	Level 1	Level 2	Level 3	Total
Exchange-traded and closed-end funds	\$ 1,061,486	\$ -0-	\$ -0-	\$ 1,061,486
Total assets at fair value	<u>\$ 1,061,486</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,061,486</u>
Cash				105,464
Total investments				<u>\$ 1,166,950</u>

Habitat's investments consist of the following at June 30:

	2025	2024
Cash	\$ 103,522	\$ 105,464
Exchange-traded funds:		
Large cap	295,535	236,894
International	272,881	232,167
Emerging markets	189,452	173,750
Small cap	142,275	151,167
Fixed income	141,450	127,475
Real estate	120,822	112,929
Other	-0-	27,104
	<u>\$ 1,265,937</u>	<u>\$ 1,166,950</u>

6. LINE-OF-CREDIT

At June 30, 2025 and 2024, Habitat has available a secured line-of-credit, which provides for borrowing up to \$600,000. Interest is payable monthly and is charged at a rate equal to the prime rate (with a maximum rate of 5.50%), which was 7.50% and 8.50% at June 30, 2025 and 2024, respectively. The current agreement expires in March 2027. The line-of-credit is secured by the assignment of mortgages of properties located in Lexington, Kentucky with an aggregate carrying value of approximately \$704,000 at June 30, 2025. The outstanding balances on the line-of-credit as of June 30, 2025 and 2024 were \$220,000 and \$-0-, respectively.

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

7. NOTES PAYABLE

Notes payable as of June 30 consist of the following:

	2025	2024
1% installment note payable to Kentucky Housing Corporation in 30 annual installments of principal and interest in the amount of \$5,209. The note is unsecured. Final payment due in June 2034.	\$ 49,840	\$ 55,049
Various 1% installment notes payable, unsecured, to Bluegrass Affordable Housing Association. Interest is due quarterly and principal is due annually. The notes mature through October 2030.	24,445	40,326
Construction note payable to bank dated December 20, 2016. Principal and interest payments due monthly at a fixed rate of 4.5% through December 2021, and a variable rate equal to the prime rate through maturity at June 2033 (7.50% at June 30, 2025). Secured by land and improvements thereon located at 700 Loudon Avenue, Lexington, Kentucky with a net book value of approximately \$716,000 at June 30, 2025.	102,478	111,310
Installment note payable to bank dated March 19, 2015. Original amount of \$541,500. Principal and interest payments due in monthly installments that vary based on prime with a final payment due March 19, 2035. The note bears interest at the prime rate (7.50% at June 30, 2025), and is secured by property and land located at 700 East Loudon Avenue, Lexington, Kentucky with a net book value of approximately \$716,000 at June 30, 2025.	326,959	348,356
Note payable to bank dated November 22, 2024. Original amount of \$10,000. Interest payments due in monthly installments starting February 22, 2025. Note bears interest at 1.00%, and is unsecured. Note matures and full principal payment is due November 22, 2025.	10,000	-0-
Total	\$ 513,722	\$ 555,041

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

The following is a summary of debt maturities as of June 30, 2025:

<u>Year ended June 30:</u>	
2026	\$ 62,099
2027	272,342
2028	51,839
2029	50,318
2030	52,220
2031 and thereafter	244,904
	<u>\$ 733,722</u>

The above total includes the line-of-credit balance of \$220,000.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at June 30:

	<u>2025</u>	<u>2024</u>
Donor-restricted endowment fund:		
Restricted in perpetuity	\$ 1,032,109	\$ 1,027,456
Accumulated investment gains subject to satisfaction of donor purpose restrictions	236,328	139,494
Restricted for the Love Your Neighborhood program	<u>41,559</u>	<u>32,378</u>
	<u>\$ 1,309,996</u>	<u>\$ 1,199,328</u>

9. ENDOWMENT FUND

Habitat's endowment funds consist of a donor-restricted endowed fund that supports local and international service projects. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulation to the contrary. As a result of this interpretation, Habitat retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by Habitat in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, Habitat considers the following factors in making a determination to appropriate or accumulate endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of Habitat and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of Habitat
- (7) The investment policies of Habitat

Habitat has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for granting purposes while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Habitat must use for a donor-specified purpose. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce long-term growth of capital without undue exposure to risk. Habitat expects its endowment fund to provide an average rate of return to outperform, over the long term (defined as rolling five-year periods), a blended custom benchmark based on a current asset allocation policy of 70% MSCI All Country World Index and 30% Barclays US Aggregate Bond Index. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, Habitat relies on a total return strategy in which investment decisions shall be made with the intent of maximizing the long-term total return of the portfolio through market value changes (realized and unrealized) and through earned income (dividends and interest).

Habitat has a policy of appropriating for distribution each year between 5 and 7 percent of its endowment funds' average fair value over the prior 12 quarters, or a greater percentage as voted upon by the Board of Directors for special circumstances. In establishing this policy, Habitat considered the long-term expected return on its endowment.

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

Changes in endowment net assets for the years ended June 30 are as follows:

2025			
	Accumulated Investment Earnings Subject to Purpose Restrictions	Perpetually Restricted	Total
Endowment net assets, beginning of year	\$ 139,494	\$ 1,027,456	\$ 1,166,950
Contributions	-0-	4,653	4,653
Investment return, net	154,280	-0-	154,280
Amount appropriated for expenditure	(57,446)	-0-	(57,446)
Endowment net assets, end of year	<u>\$ 236,328</u>	<u>\$ 1,032,109</u>	<u>\$ 1,268,437</u>
2024			
	Accumulated Investment Earnings Subject to Purpose Restrictions	Perpetually Restricted	Total
Endowment net assets, beginning of year	\$ 78,516	\$ 1,022,306	\$ 1,100,822
Contributions	-0-	5,150	5,150
Investment return, net	118,834	-0-	118,834
Amount appropriated for expenditure	(57,856)	-0-	(57,856)
Endowment net assets, end of year	<u>\$ 139,494</u>	<u>\$ 1,027,456</u>	<u>\$ 1,166,950</u>

At June 30, 2025, \$2,500 was owed to endowment fund investments for donations received during fiscal year 2025.

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

10. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure that are without donor or other restrictions that make them unavailable for use within one year of the statement of financial position date, are comprised of the following as of June 30:

	2025	2024
Financial assets:		
Cash	\$ 73,416	\$ 934,144
Accounts receivable	37,818	276,488
Current portion of non-interest-bearing mortgage	481,209	533,585
Total financial assets	592,443	1,744,217
Less those unavailable for general expenditure within one year:		
Contributions with donor restrictions	(41,559)	(32,378)
Financial assets available to meet cash needs for general expenditures within one year	\$ 550,884	\$ 1,711,839

Habitat has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As more fully described in Note 6, Habitat also has a committed line-of-credit in the amount of \$600,000, which it could draw upon in the event of an unanticipated liquidity need. The amount available under the line-of-credit is dependent on any outstanding balance at the time of the draw. The outstanding balance at June 30, 2025 is \$220,000.

11. GIFTS IN-KIND

Contributed nonfinancial assets and noncash contributions of services are as follows for the years ended June 30. There were no donor-imposed restrictions on any of these amounts.

Description	2025	2024	Usage in Programs/Activities	Fair Value Techniques
Building materials, and appliances	\$ 27,854	\$ 26,786	New Home Ownership Program	Estimated U.S. wholesale prices (principal market) or identical or similar products using pricing data under a "like-kind" methodology considering the goods' condition and utility for use at the time of
Lot, not eligible for build	12,500	-0-	New Home Ownership Program	Lot donated and sold in same month due to zoning restrictions. No gain or loss. Estimated by applying the firm's billable rates to the number of hours of services provided to Habitat.
Professional services	4,180	10,094	Administrative	
	<u>\$ 44,534</u>	<u>\$ 36,880</u>		

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

12. GRANTS AWARDED

Habitat receives financial assistance from various sources, such as corporations and local governments. Habitat recognizes the award as grant revenue when the conditions stipulated in the grant agreement have been met. Funds by the grantors for the following programs may be requested for future program expenditures as of June 30:

Grant	2025	2024
FHLB Affordable Housing Program, 202301-0009	\$ 50,000	\$ 100,338
FHLB Affordable Housing Program, 202201-0043	-0-	75,000
KHC AHTF HB24-0096-01	365,000	400,000
KHC AHTF HB23-0096-01	-0-	60,000
LFUCG HOME 2023 Funds	-0-	75,000
	<u>\$ 415,000</u>	<u>\$ 710,338</u>

13. RETIREMENT

Habitat maintains a 401(k) defined contribution pension plan (the Plan) for employees 18 years of age and over who are enrolled in the Plan in the first day of the month after twelve months from the date of employment. Employee benefits are immediately vested. Habitat will contribute five percent (5%) of the eligible employees' gross wages. The Plan permits eligible employees to make voluntary contributions. During the years ended June 30, 2025 and 2024, Habitat contributed approximately \$97,000 and \$80,000, respectively.

14. LEASE AGREEMENTS

Habitat recognizes right-of-use (ROU) assets and lease liabilities for leases with terms greater than 12 months or leases that contain a purchase option that is reasonably certain to be exercised. Leases are classified as either finance or operating leases. This classification dictates whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease.

Habitat maintains a building lease under a non-cancelable operating lease that initially expired September 30, 2022, with options to renew through September 2032. In February 2022, Habitat agreed to exercise the option to extend the lease agreement through September 2027. Habitat management has determined it is more likely than not that Habitat will exercise its option to extend the lease through September 2032.

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

Habitat's ROU assets and lease liabilities are recognized on the lease commencement date in an amount that represents the present value of future lease payments over the lease term. Habitat utilizes its collateralized incremental borrowing rate commensurate to the lease term as the discount rate for its leases unless Habitat can specifically determine the lessor's implicit rate. Certain lease contracts contain fixed minimum amounts for non-lease components such as maintenance and utilities. Habitat has made a policy election to not separate the lease and non-lease components, and thus recognize a single lease component for its right-of-use assets and lease liabilities. The operating lease ROU asset includes any lease payments made and excludes lease incentives, if any.

In evaluating contracts to determine if they qualify as a lease, Habitat considers factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if Habitat can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. Furthermore, Habitat assesses whether it is reasonably certain to exercise options to extend or terminate a lease considering all relevant factors that create economic incentive to exercise such options, including asset, contract, market, and entity-based factors. These evaluations may require significant judgement.

Following are Habitat's lease cost components for the years ended June 30:

	2025	2024
Operating lease cost	\$ 171,635	\$ 161,807
Variable lease cost	5,269	6,467
Total lease expense	<u>\$ 176,904</u>	<u>\$ 168,274</u>

The lease agreement includes scheduled increases in rental payments which are included in the calculation of lease liability.

Additional information regarding cash payments under Habitat's operating lease during 2025 and 2024, as well as the inputs used in determining the ROU asset and liability at June 30, 2025 and 2024, are as follows:

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 225,990	\$ 221,565
Weighted-average lease term, operating leases	7.25 years	8.25 years
Weighted-average discount rate, operating leases	3.25%	3.25%

Per the accompanying statement of financial position, operating lease liabilities is \$1,578,595 at June 30, 2025. Principal maturities are as follows for the years ended June 30:

2025	\$ 181,895
2026	192,570
2027	203,703
2028	215,279
2029	227,344
Thereafter	557,804
Total	\$ 1,578,595

15. RELATED-PARTY TRANSACTIONS

During the years ended June 30, 2025 and 2024, Habitat paid tithes and fees to Habitat for Humanity International, Inc. (HFHI) of \$37,000 and \$22,000, respectively. Additionally, Habitat received support from HFHI of approximately \$120,000 and \$115,000 during the years ended June 30, 2025 and 2024, respectively.

16. CONCENTRATIONS

At June 30, 2025, approximately 66% of the receivable balance was due from one grantor. At June 30, 2024, approximately 88% of the receivable balance was due from two grantors.

LEXINGTON HABITAT FOR HUMANITY, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025 AND 2024

17. GOING CONCERN

As indicated in the accompanying financial statements, during the years ended June 30, 2025 and 2024, Habitat showed a decrease in net assets without restriction of \$1,156,000 and \$860,000, respectively, and negative cash flows from operations of \$1,755,000 and \$1,268,000, respectively. These factors create substantial doubt as to Habitat's ability to continue as a going concern.

Habitat's leadership is actively addressing this issue through a multi-faceted financial strategy and currently projects sufficient cash flow coverage through fiscal year 2026. Near-term efforts include increasing individual giving, securing additional home sponsorships and grant support, and generating revenue through home sales. Habitat has also renewed its line of credit to provide added financial flexibility and support cash flow management.

Looking ahead, Habitat is focused on building long-term financial sustainability through several key initiatives. These include acquiring low- or no-cost land through strategic partnerships, maximizing immediate mortgage receipts by working with third-party lenders, and launching targeted fundraising efforts tied to major development opportunities at Transylvania University's Marquard Field and Lexington Community Land Trust's Davis Park. Together, these strategies are intended to strengthen liquidity, reduce financial risk, and position the organization for greater long-term stability and impact.

The status of Habitat as a going concern is contingent upon obtaining sources of non-restricted revenue in order to satisfy liabilities for which restricted assets cannot be utilized. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.