Consolidated Financial Statements and Report of Independent Certified Public Accountants

Habitat for Humanity International, Inc.

June 30, 2026 and 2025

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Governing Board
Habitat for Humanity International, Inc.

Opinion

We have audited the consolidated financial statements of Habitat for Humanity International, Inc. (a nonprofit organization) and its subsidiaries (collectively "Habitat"), which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Habitat as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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.

Responsibilities of management for the financial statements

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

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

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Auditor's responsibilities for the audit of the 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 US GAAS 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 US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 consolidated financial statements.
- Conclude whether, in our judgment, 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.

Grant Thornton LLP

New York, New York
November 17, 2026

Habitat for Humanity International, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30,
(In thousands)

	2026	2025
Assets		
Cash and cash equivalents	$ 10,705	$ 58,199
Restricted cash GGRF	143,662	138,288
Restricted cash all other	122,733	106,588
Investments at fair value	274,720	246,642
Investments in unconsolidated partnerships	4,889	7,553
Receivables:		
Contributions and grants, net	71,636	73,002
Affiliate notes, net	81,004	54,630
Due from affiliates, net	13,645	13,599
Loans to microfinance institutions, net	647	3,902
Institutional loans and mortgages receivable, net	4,517	3,646
Other, net	9,473	7,138
Total receivables	180,922	155,917
Inventories, net	4,572	5,150
Prepaids and other assets	12,346	8,237
Operating lease right of use assets	7,699	9,856
Land, buildings, and equipment - net of accumulated depreciation and amortization	5,020	6,829
Total assets	$ 767,268	$ 743,259
Liabilities and net assets		
Accounts payable and accrued expenses	$ 28,207	$ 34,188
Program advance GGRF	143,662	138,288
Program advances all other	17,644	16,123
Finance lease liabilities	46	143
Operating lease liabilities	7,699	9,856
Due to affiliates	1,712	2,833
Notes payable, net of unamortized debt issuance costs	57,083	38,022
Charitable gift annuities	6,174	5,900
Investor notes payable	52,929	51,310
Total liabilities	315,156	296,663
Net assets:		
Without donor restrictions:		
Controlling interests	250,338	240,705
Noncontrolling interests	1,786	8,508
	252,124	249,213
With donor restrictions	199,988	197,383
Total net assets	452,112	446,596
Total liabilities and net assets	$ 767,268	$ 743,259

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

Habitat for Humanity International, Inc.

CONSOLIDATED STATEMENTS OF ACTIVITIES

(In thousands)

	Year Ended June 30, 2026			Year Ended June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, support, and gains						
Contributions	$ 148,019	$ 99,637	$ 247,656	$ 133,263	$ 106,120	$ 239,383
Donated product, services and advertising	47,735	12,383	60,118	43,037	8,755	51,792
Government grants	14,443	-	14,443	23,780	-	23,780
Other income, net	71,517	-	71,517	68,150	-	68,150
Total revenues, support, and gains	281,714	112,020	393,734	268,230	114,875	383,105
Net assets released from restrictions	110,539	(110,539)	-	123,583	(123,583)	-
Total revenues, support, and gains	392,253	1,481	393,734	391,813	(8,708)	383,105
Expenses						
Program services:						
U.S. affiliates	188,128	-	188,128	184,691	-	184,691
International affiliates	74,739	-	74,739	75,514	-	75,514
Public awareness and education	29,299	-	29,299	24,292	-	24,292
Total program services	292,166	-	292,166	284,497	-	284,497
Supporting services:						
Fundraising	64,415	-	64,415	65,603	-	65,603
Management and general	26,349	-	26,349	27,378	-	27,378
Total supporting services	90,764	-	90,764	92,981	-	92,981
Total expenses	382,930	-	382,930	377,478	-	377,478
Loss (recoveries) on contributions receivable	-	(1,124)	(1,124)	-	621	621
Total expenses and loss (recoveries) on contributions receivable	382,930	(1,124)	381,806	377,478	621	378,099
Change in net assets	9,323	2,605	11,928	14,335	(9,329)	5,006
Distributions to noncontrolling interests	(6,412)	-	(6,412)	-	-	-
Net assets at beginning of year	249,213	197,383	446,596	234,878	206,712	441,590
Nets assets at end of year	$ 252,124	$ 199,988	$ 452,112	$ 249,213	$ 197,383	$ 446,596

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

Habitat for Humanity International, Inc.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

(In thousands)

For the Year Ended June 30, 2026:	U.S. Affiliates	International Affiliates	Public Awareness and Education	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Program and house building transfers	$ 89,337	$ 32,064	$ 3,081	$ 124,482	$ -	$ -	$ -	$ 124,482
Donated products and advertising distributed	35,068	376	4,232	39,676	-	-	-	39,676
Salaries and benefits	41,161	28,962	13,436	83,559	21,494	18,707	40,201	123,760
Professional services	8,543	4,287	4,799	17,629	37,236	2,178	39,414	57,043
Travel	2,069	1,876	919	4,864	587	486	1,073	5,937
Interest, service charges, and taxes	2,677	477	452	3,606	986	328	1,314	4,920
Office expenses	7,667	3,982	1,771	13,420	3,130	3,246	6,376	19,796
Depreciation and amortization	656	716	155	1,527	356	330	686	2,213
Other	950	1,999	454	3,403	626	1,074	1,700	5,103
Total	$ 188,128	$ 74,739	$ 29,299	$ 292,166	$ 64,415	$ 26,349	$ 90,764	$ 382,930

For the Year Ended June 30, 2025:	U.S. Affiliates	International Affiliates	Public Awareness and Education	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Program and house building transfers	$ 88,472	$ 31,435	$ 3,068	$ 122,975	$ -	$ -	$ -	$ 122,975
Donated products and advertising distributed	32,286	214	1,915	34,415	-	-	-	34,415
Salaries and benefits	41,475	28,132	12,539	82,146	20,547	17,673	38,220	120,366
Professional services	8,978	5,877	3,476	18,331	38,890	3,983	42,873	61,204
Travel	2,010	2,562	897	5,469	763	668	1,431	6,900
Interest, service charges, and taxes	1,656	422	402	2,480	1,009	290	1,299	3,779
Office expenses	7,213	3,997	1,460	12,670	3,552	3,080	6,632	19,302
Depreciation and amortization	658	738	155	1,551	362	331	693	2,244
Other	1,943	2,137	380	4,460	480	1,353	1,833	6,293
Total	$ 184,691	$ 75,514	$ 24,292	$ 284,497	$ 65,603	$ 27,378	$ 92,981	$ 377,478

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

Habitat for Humanity International, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended June 30,
(In thousands)

	2026	2025
Operating activities		
Change in net assets	$ 11,928	$ 5,006
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,213	2,244
Loss on disposal of land, buildings, and equipment	1	20
(Recoveries) loss on contributions receivable	(1,124)	621
Losses (recoveries) on loans to microfinance institutions	106	(55)
Allowance for loan losses	(27)	33
Net realized and unrealized gains on investments	(9,890)	(5,960)
Support from the public restricted for long-term investments	(505)	(509)
Net realized and unrealized gain on derivative instrument	-	(173)
Unrealized (loss) gain from foreign exchange fluctuations	96	(7)
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	(90)	9,737
Decrease (increase) in inventories	578	(139)
(Increase) in prepaids and other assets	(4,109)	(2,964)
(Decrease) increase in accounts payable and accrued expenses	(5,981)	3,308
Increase (decrease) in program advances	6,895	139,230
Net cash provided by operating activities	91	150,392
Investing activities		
Purchases of investments	(282,174)	(316,820)
Proceeds from sales and maturities of investments	266,650	328,652
Loans to microfinance institutions	-	(550)
Repayments from microfinance institutions	3,081	23,038
Loans to affiliates	(83,803)	(61,235)
Repayments from affiliates	56,784	46,629
Purchases of equipment and vehicles	(405)	(2,032)
Proceeds from sale of land, buildings, and equipment	1	75
Net cash (used) provided by investing activities	(39,866)	17,757
Financing activities		
Principal repayments on finance lease obligations	(126)	(281)
Increase in due to affiliates	871	599
Payments on due to affiliates	(1,992)	(144)
Support from the public restricted for long-term investments	505	509
Increase in annuity obligations	592	427
Payments of annuity obligations	(318)	(298)
Equity distributions	(6,412)	-
Proceeds from issuance of notes payable	36,517	33,267
Payments on notes payable	(15,837)	(16,738)
Net cash provided by financing activities	13,800	17,341
(Decrease) increase in cash, cash equivalents, and restricted cash	(25,975)	185,490
Cash, cash equivalents, and restricted cash, beginning of year	303,075	117,585
Cash, cash equivalents, and restricted cash, end of year	$ 277,100	$ 303,075
Cash and cash equivalents	$ 10,705	$ 58,199
Restricted cash GGRF	143,662	138,288
Restricted cash all others	122,733	106,588
Cash, cash equivalents, and restricted cash, end of year	$ 277,100	$ 303,075
Supplemental disclosures		
Interest paid	$ 3,122	$ 2,313
Non-cash purchases of equipment through finance lease obligations	$ 29	$ 37

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

NOTE 1 - ORGANIZATION AND PURPOSE

Habitat for Humanity is a movement of people in your local area and around the world, working together to build more prosperous and vibrant communities by making sure everyone has a safe, affordable place to call home. Since our founding in 1976 as a Christian organization, together we have helped more than 65 million people globally build their futures on their own terms through access to decent housing. We have done that by working alongside people of all walks of life to build, repair and finance their homes, by innovating new ways of building and financing, and by advocating for policies that make constructing and accessing housing easier for everyone. Together, we build homes, communities and hope. To learn more, visit habitat.org.

Habitat is comprised of Habitat for Humanity International, Inc., the organization's headquarters based in Georgia, United States of America, its area and regional offices worldwide, and the national organizations that are registered as branches of Habitat.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements as of and for the years ended June 30, 2026 and 2025, include the activities of:

1. Habitat's area and regional offices.

2. Ten national organizations that are registered as part of Habitat for Humanity International, Inc., including Bangladesh, Nepal, Cambodia, Vietnam, Cote d'Ivoire, Egypt, Ethiopia, Jordan, Ukraine, and Dominican Republic.

3. Habitat Capital, LLC, HMS Loan Fund 1, LLC, Habitat for Humanity-Middle East, Inc., and US Property Acquisition Fund, LLC (PAF), which are wholly-owned subsidiaries.

4. MicroBuild I, LLC (MicroBuild) and Habitat MicroBuild India Housing Finance Company Private Limited (MicroBuild India), in which Habitat effectively has control and an economic interest. See Note 22 regarding the liquidation of MicroBuild in FY26.

All material intercompany accounts and transactions have been eliminated in preparing the accompanying consolidated financial statements.

Cash, Cash Equivalents, and Restricted Cash

Habitat considers all highly liquid investments with an original maturity of three months or less, when purchased, to be cash equivalents, with the exception of cash held for reinvestment which is included in investments. Habitat maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. Habitat has not experienced any losses in such accounts. Included in cash and cash equivalents is restricted cash of $266,395,000 and $244,876,000 as of June 30, 2026 and 2025, respectively. As of June 30, 2026 and 2025, $31,783,000 and $34,327,000, respectively, was held in banks outside of the United States, and these amounts are not covered by insurance.

Investments

Realized and unrealized gains and losses on marketable securities are determined by using specific identification. Investment income and net increase (decrease) on investments of donor-restricted endowments are reported as follows:

1. As increases in net assets with donor restrictions if the terms of the gift or relevant state law require that they be added back to the principal of the contributions with donor restrictions held in perpetuity.

2. As decreases in net assets with donor restrictions when there are losses that reduce the fair value of the assets of endowment funds below the required level and as increases in net assets with donor restrictions when there are gains that restore the fair value of the assets of endowment funds to the required level.

3. As increases (decreases) in net assets with donor restrictions, in all other cases.

Investments in Unconsolidated Partnerships

Habitat owns limited partnership interests in four CAG National Funds. The ownerships are 55%, 42%, 46% and 57%, respectively. The companies were created to acquire vacant homes through the Department of Housing and Urban Development's Federal Housing Administration Office of Asset Sales. Because Habitat does not have control of these partnerships, Habitat's interest is accounted for under the equity method of accounting.

Contributions Receivable

Contributions receivable that are expected to be collected within one year after June 30, 2026 are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at their fair value based on the present value of their estimated future cash flows and are discounted at the rate applicable to the year in which the contribution was made. The discount rates used reflect the assumptions about market risks that are not otherwise considered in the cash flows.

Conditional promises to give are not recognized as revenue or receivables until the donor-imposed conditions are substantially met. Such conditions include both a barrier that must be overcome, such as incurrence of qualified expenses, matching requirements, or achievement of program milestones, and a right of release of the donor from its obligation to transfer the promised assets. Habitat's conditional promises to give are generally conditioned upon the incurrence of qualifying expenses, achievement of specified program milestones, and satisfaction of matching requirements. As of June 30, 2026 and 2025, conditional promises to give amounted to $5,983,000 and $10,757,000, respectively, and are not recorded in the accompanying consolidated financial statements.

Investor Notes Payable

Investor notes payable are special obligations of Habitat secured solely by affiliate general obligation promissory notes (affiliate notes receivable), which are, in turn, secured by mortgages or real estate assets held by the affiliates. The notes are payable over three to 10 years. The proceeds received from investor notes payable were disbursed to those affiliates that signed affiliate notes receivable with Habitat. Affiliate notes receivable are collectible over one to 10 years and are secured by mortgages or real estate assets held by those affiliates. The investor notes payable and affiliate notes receivable have interest rates ranging as follows:

	2026	2025
Investor notes payable	0.0% to 4.5%	0.0% to 4.5%
Affiliate notes receivable	0.0% to 6.0%	0.0% to 6.0%

The real estate securing these mortgages is concentrated in the states of Washington (17%), California (11%), North Carolina (10%), and Virginia (10%). The remaining balance is secured by real estate in cities located throughout the United States, with no state comprising more than 7% of the balance.

Due From/to Affiliates

Due from affiliates consists primarily of non-interest-bearing, unsecured, demand notes from Habitat affiliates in the U.S. The measurement of expected credit losses under the Current Expected Credit Losses (CECL) methodology is applicable to financial assets measured at amortized cost, including due from affiliates. Past loan performance and historical experience are used to inform the forecast. The current economic climate and other conditions are used to support reasonable projections of how future conditions might impact losses. A majority of these loans originated with affiliates that are participating in the Self-help Homeownership Opportunity Program (SHOP) grant. Habitat treats 25% of the grant disbursements as a loan to affiliates that must be paid back to Habitat without interest. The Department of Housing and Urban Development (HUD) has determined that the proceeds from the loans to affiliates must be disbursed as an additional SHOP grant. Amounts loaned and collected under SHOP loans are reflected as a liability (due to affiliates) until these proceeds are appropriately redistributed or until the appropriate financial closeout report is submitted to HUD. During the year ended June 30, 2026, the Organization completed the financial closeout of the 2020 and 2021 SHOP program years following expiration of the respective grant terms. As part of the closeout, $1,789,000 was released from HUD restrictions and recognized as other income, net in the consolidated statement of activities. During the year ended June 30, 2025, the Organization completed a similar closeout for the 2019 SHOP program year, resulting in the release and recognition of $913,000 as other income, net in the consolidated statement of activities.

Other amounts due from affiliates consist of advances made to participating beneficiaries for European Union (EU) grants. The advances for EU grants are held as a receivable until the beneficiary provides satisfactory reporting of the program expenditures incurred, at which point the program transfer and related revenue is recognized.

Allowance for Credit Losses - Loans

The allowance for credit losses is a valuation account that is deducted from, or added to, the loan's amortized cost basis to present the net amount expected to be collected on the loans. Loans are charged off against the allowance when management believes the loan balance is no longer collectable. Expected recoveries do not exceed the aggregate of amounts previously charged off and expected to be charged off.

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts.

Historical credit loss experience provided the basis for the estimation of expected credit loss. Habitat has evaluated and determined minimal risk of nonpayment on affiliate loans. Management may exercise discretion to make adjustments based on various qualitative factors.

Loans to Microfinance Institutions

Loans to microfinance institutions are recorded in the consolidated statement of financial position at their unpaid principal amounts. Interest income is accrued based on the outstanding principal amount and contractual terms of each individual loan. Interest is collected quarterly. Once a loan becomes six months delinquent in paying its obligations, interest is no longer accrued on that obligation until such time as the delinquency is cleared.

Derivative Instruments

MicroBuild, when deemed appropriate, uses derivatives as a risk management tool to mitigate the potential impact of certain market risks. The market risks managed by MicroBuild through the derivative instruments are foreign currency exchange rate risk and interest rate risk related to loans that are made in currencies other than the U.S. Dollar. For the year ended June 30, 2026 there are no derivative instruments carried at fair value in the consolidated statement of financial position. For the year ended June 30, 2025, derivative instruments included $158,000 of cross-currency interest rate swaps.

Inventories

Inventories represent building materials and materials to be used in construction of Habitat houses or sold in Habitat affiliate ReStores. Donated product inventory is recorded at the fair value on the date of receipt, and such items are expensed as program services expense when used or shipped to U.S. affiliates, based upon the specific identification method. Purchased inventory is recorded at the lower of cost or market determined by the specific identification method. Inventory is recorded net of any allowance for obsolescence on the consolidated statement of financial position. For the years ended June 30, 2026 and 2025, a loss for obsolescence of $183,000 and $670,000, respectively, is included in the donated products and advertising distributed in the accompanying consolidated statements of functional expenses.

Property and Equipment

Property and equipment are recorded at cost when purchased and at fair value at the date of donation when contributed. The Organization capitalizes property and equipment with an acquisition cost of $5,000 or more and an estimated useful life greater than one year. Costs of major additions and improvements that extend the useful life or increase the capacity of an asset are capitalized, while routine repairs and maintenance are expensed as incurred. Additionally, certain application development costs incurred to develop internal-use software are capitalized and amortized over the expected useful life of the software application. These costs are included in prepaids and other assets until they are placed in service and totaled $4,607,000 and $1,640,000 for the years ended June 30, 2026 and June 30, 2025 respectively. Depreciation and amortization of assets are provided on a straight-line basis over the estimated useful lives of the respective assets, as follows:

	Years
Buildings and leasehold improvements	20-30 years
Furniture and equipment	5-10 years
Computer hardware and software	3 years
Vehicles	3-5 years

Charitable Gift Annuities

Habitat has a gift annuity program whereby it enters into irrevocable contracts with certain donors. Habitat agrees to make payments to donors at prescribed intervals over the life of the donor. The assets received are recorded at fair value, and the related liability is recorded as an annuity obligation at the present value of the expected future payments. The difference between the fair value of assets received and the initial annuity obligation is recorded as contribution revenue.

For the years ended June 30, 2026 and 2025, annuity obligations are remeasured at each reporting date based on the present value of expected future payments using the 2012 Individual Annuity Reserving Table and the prevailing interest rate. Habitat maintains charitable gift annuities in a separate portfolio, and the assets are invested in accordance with applicable state laws. Total cash and investments held in the gift annuity portfolio totaled $10,925,000 and $9,376,000 as of June 30, 2026 and 2025, respectively.

Habitat is required to hold reserves related to its gift annuity program based on the laws in certain states in which the gifts are solicited. Such reserves totaled $7,810,000 and $7,463,000 as of June 30, 2026 and 2025, respectively, and are included in investments at fair value on the accompanying consolidated statements of financial position.

Program Advances

Program advances relate to cash received directly from government and nongovernmental agencies, not yet expended on the program to which such funds relate. These amounts will be recognized as revenue as qualifying program expenses are incurred. Habitat has recorded program advances from a single government agency of $143,662,000 and $138,288,000 as of June 30, 2026 and 2025, respectively. Additionally, Habitat has recorded a program advance from a single nongovernmental agency of $842,000 and $2,100,000 as of June 30, 2026 and 2025, respectively.

Net Assets

Habitat's revenues and gains are classified as net assets with donor restrictions and net assets without donor restrictions based on the existence or absence of donor-imposed restrictions. These classifications are defined as follows:

Net assets with donor restrictions are subject to donor-imposed restrictions. Such restrictions may limit the use of donated assets to a specified purpose or period and are satisfied either by the passage of time or by actions of Habitat in accordance with the donor-imposed restrictions. Net assets with donor restrictions also contain the principal amount of gifts that are required by donors to be held permanently.

Net assets without donor restrictions do not contain donor restrictions or the donor-imposed restrictions have expired.

Contributions

Unconditional promises to give are recognized as revenue when the underlying promises are received by Habitat. Gifts of cash and other assets are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets or restrict their use to a specified period or purpose.

Certain grants and contracts from foundations and governmental entities contain donor-imposed conditions, including barriers that must be overcome and a right of return of funds or release from obligation if such barriers are not met. Amounts received in advance of satisfying these conditions are recorded as refundable advances. Revenue is recognized as the conditions are substantially met, including, as applicable, when eligible costs are incurred.

When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Contributions with donor restrictions that are both received and satisfied within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions.

Government Grants

Habitat receives funding from several federal financial assistance programs that supplement its traditional funding sources. Grant revenue on cost-reimbursement grants is recognized as qualifying program expenditures are incurred. As such, Habitat recognizes revenue and records a receivable for the reimbursement amount from the respective granting agency. Such grant programs are subject to independent audit under the Office of Management and Budget's (OMB's) Uniform Guidance (2 CFR 200), as well as review by grantor agencies. Such review could result in disallowance of expenditures under the terms of the grant or reductions in future grant funds. Based on prior experience, Habitat's management believes costs ultimately disallowed, if any, would not materially affect the consolidated financial statements.

Donated Product and Contributed Services

Contributed nonfinancial assets recognized within the consolidated statement of activities included the following for the years ended June 30, 2026 and 2025 (in thousands):

	2026	2025
Donated product for use in construction	$ 17,844	$ 15,122
Cars for Home Contributions	22,692	19,760
Donated product for sale in ReStores	13,498	13,656
Media communication and production services	4,232	1,915
Contributed services requiring specialized skills	1,251	1,115
Other donated contributions	601	224
Total contributed services, merchandise, and other in-kind contributions at fair value	$ 60,118	$ 51,792

Habitat recognized contributed nonfinancial assets within revenues, support, and gains in the consolidated statement of activities, consisting of contributed construction materials, vehicles, donated product to sell in ReStores, and services, including public service advertisements. Contributed construction materials and services are utilized in Habitat's programs, while contributed vehicles and donated products for ReStores are monetized. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions, other than time restrictions for pledges, and some vehicles donated under the Cars for Homes program that were restricted to the affiliate in the geographic area of the donor of the vehicle. It is Habitat's policy to sell all contributed vehicles immediately upon receipt at auction.

Habitat values the donated product for use in construction at the estimated fair value, which is based upon the manufacturer's suggested retail price for the product. Cars for Homes contributions are valued at the sales price received for the cars when they are sold at auction. Donated product for sale in ReStores is valued at 30% of the manufacturer's suggested retail price for the product.

Habitat produces and distributes public service television and radio announcements that focus attention on the programs Habitat provides. These Public Service Announcements (PSAs) are distributed to television stations and radio stations nationwide that then deliver the announcements to assist Habitat in its mission, free of charge. Habitat has contracted with independent outside agencies to track the date and time that each PSA displays and to estimate the fair value of the announcement based on the date, time, and market.

Donated product revenue related to contributed PSAs and associated expense in the amount of $ 4,232,000 and $1,915,000 has been recognized in the consolidated statements of activities for the years ended June 30, 2026 and 2025, respectively.

Additionally, a substantial number of volunteers have made significant contributions of their time in furtherance of Habitat's program and supporting services. The value of this contributed time is not reflected in the consolidated financial statements since the services do not require specialized skills or create or enhance non-financial assets. However, certain other contributed services that require specialized skills, are provided by individuals possessing those skills, and would otherwise need to be purchased if not provided by donation are recognized as revenue and expense. Such amounts, which are included in the accompanying consolidated statements of activities, totaled $1,251,000 and $1,115,000 for the years ended June 30, 2026 and 2025, respectively.

Program Services

Program services expenses include direct transfers to affiliates and partners of cash and donated product, as well as payments to other vendors made on behalf of affiliates. For cash contributions, program services expenses are recorded when an unconditional promise to give is made by Habitat and received by the recipient organization. For donated product contributions, program services expenses are recorded upon delivery of the donated product to the affiliate by Habitat or the donor.

Methods Used for Allocation of Expenses

The consolidated statements of functional expenses present expenses by both function and natural classification. Expenses directly attributable to a specific functional area of Habitat are reported as expenses of those functional areas. A portion of management and general costs that benefit multiple functional areas have been allocated across program and other supporting services based on estimates of time and effort spent by staff. Depreciation and amortization are allocated using an allocation developed based on a review of the assets in service compared to the functions they support.

Estimates in the Financial Statements

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Income Taxes

Habitat is organized as a nonprofit corporation under the laws of the State of Georgia and is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and corresponding Georgia provisions. Donors of cash and/or property are entitled to the maximum charitable contribution deduction allowed by law.

Habitat follows the guidance of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Accounting for Income Taxes*, related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. There are no material uncertain tax positions for Habitat for the years ended June 30, 2026 and 2025.

Fair Value Measurements

Habitat reports financial instruments at fair value in accordance with FASB ASC 820, which clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 - Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Other inputs that are directly or indirectly observable in the marketplace.

Level 3 - Unobservable inputs that are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity, and unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the valuation methods used by Habitat as compared to the prior year.

Certificates of deposit are recorded on their carrying value, which approximates fair value.

Short-term investments include commercial paper, U.S. Treasury notes, and certificates of deposit.

Common stock and mutual funds are principally valued at the regular trading session closing price on the exchange or market in which such funds are principally traded, using the market approach.

Auction rate securities are valued using a market comparable and/or discounted cash flow valuation approach.

Investments in unconsolidated entities consists of Habitat's investment in Shelter Venture Fund entities associated with its Terwilliger Center for Innovation in Shelter. These investments are not consolidated within the financial statements and the amounts invested are recorded at cost, which approximates fair value.

Forward foreign exchange contracts consist of contracts that are valued primarily based on the spot currency exchange rate and the interest rate differential.

Cross-currency interest rate swaps consist of contracts that are valued primarily based on the spot currency exchange rate and discount curves based on local government treasury bill and bond auctions. Cross-currency interest rate swaps consist of both Level 2 and Level 3 inputs, based on the availability of the market data for the underlying currencies.

Annuity obligations are recorded at fair value based on Level 3 inputs and other relevant market data based on the present value of the estimated future cash outflows. For the years ended June 30, 2026 and 2025, the assumptions used in the valuation of the annuity liability include mortality in accordance with the 2012 Individual Annuity Reserving Table and a discount rate of 6% for all annuities, compounded annually, net of expenses. These rates are commensurate with the risks associated with the ultimate payment of the

obligation. For the years ended June 30, 2026 and 2025, Habitat recorded losses from the remeasurement of the gift annuity obligation to fair value of $278,000 and $218,000, respectively, included as part of other income, net in the accompanying consolidated statements of activities.

Fair Value of Financial Instruments

Habitat's financial instruments consist of cash and cash equivalents, investments, receivables, accounts payable and accrued expenses, finance lease obligations, notes payable, annuity obligations, and investor notes payable. Cash and cash equivalents, receivables, accounts payable and accrued expenses, finance lease liabilities, notes payable, and investor notes payable are stated at cost, which approximates fair value.

Investments

Certain investments are held in debt securities with contractual maturities. Such investments mature as follows (in thousands):

	2026	2025
Due in less than one year	$ 163,716	$ 147,161
Due in two to five years	-	-
Due in more than five years	19,993	20,282
	$ 183,709	$ 167,443

Investment income and net realized and unrealized gains are included in other income, net, and consist of the following as of June 30, 2026 and 2025 (in thousands):

	2026	2025
Net increase in fair value of investments, including realized and unrealized gains	$ 9,890	$ 5,960
Interest and dividends	780	1,028
Total investment gains	$ 10,670	$ 6,988

NOTE 3 - FAIR VALUE MEASUREMENTS

In accordance with ASC 820, Habitat records cash and cash equivalents and marketable securities at fair value. As of June 30, 2026 and 2025, investments in marketable securities include auction rate securities, which are classified within Level 3 due to a lack of a liquid market for such securities. Management determined the value of these securities based on information regarding the quality of the security and the quality of the collateral, among other factors.

In accordance with the fair value hierarchy described above, the following tables present the fair value of Habitat's financial assets and liabilities that are required to be measured at fair value, on a recurring basis, as of June 30, 2026 and 2025 (in thousands):

	Fair Value at June 30, 2026	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Certificates of deposit and other short-term investments	$ 163,716	$ 163,716	$ -	$ -
Common stock and mutual funds	88,613	88,611	2	-
Unconsolidated entities	2,398	-	-	2,398
Auction rate securities	19,993	-	-	19,993
Total investments	$ 274,720	$ 252,327	$ 2	$ 22,391
Liabilities:				
Charitable gift annuities	$ (6,174)	$ -	$ -	$ (6,174)

	Fair Value at June 30, 2025	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Certificates of deposit and other short-term investments	$ 147,161	$ 147,161	$ -	$ -
Common stock and mutual funds	76,801	76,799	2	-
Unconsolidated entities	2,398	-	-	2,398
Auction rate securities	20,282	-	-	20,282
Total investments	$ 246,642	$ 223,960	$ 2	$ 22,680
Derivative instruments:				
Cross-currency interest rate swaps	158	-	(136)	294
Total derivative instruments	$ 158	$ -	$ (136)	$ 294
Liabilities:				
Charitable gift annuities	$ (5,900)	$ -	$ -	$ (5,900)

Derivative instruments are included in loans to microfinance institutions, net, on the accompanying consolidated statements of financial position.

The following table provides a reconciliation of the beginning and ending balances for assets measured at fair value using significant unobservable inputs (Level 3) as defined in ASC 820 for the years ended June 30, 2026 and 2025 (in thousands):

	2026	2025
Balance at July 1	$ 22,680	$ 22,852
Redemptions	(150)	(150)
Net unrealized (loss) gains	(139)	(22)
Balance at June 30	$ 22,391	$ 22,680

The following table provides a reconciliation of the beginning and ending balances for derivative instruments measured at fair value using significant unobservable inputs (Level 3) as defined in ASC 820 for the years ended June 30, 2026 and 2025 (in thousands):

	2026	2025
Balance at July 1	$ 294	$ 303
Net unrealized and realized (loss) gains	(294)	260
Settlements	-	(269)
Balance at June 30	$ -	$ 294

The following table provides a reconciliation of the beginning and ending balances for liabilities measured at fair value using significant unobservable inputs (Level 3) as defined in ASC 820 for the years ended June 30, 2026 and 2025 (in thousands):

	2026	2025
Balance at July 1	$ (5,900)	$ (5,770)
Additions to liabilities	(521)	(359)
Payments to annuitants	318	297
Terminations of liabilities	207	150
Net unrealized losses	(278)	(218)
Balance at June 30	$ (6,174)	$ (5,900)

Marketable securities measured at fair value using Level 3 inputs consist of auction rate securities and equity investments in various enterprises related to the mission of Habitat.

Auction rate securities require the use of Level 3 inputs to determine their value due to the lack of market activity and liquidity. Additionally, should Habitat have to sell the underlying securities prior to their maturity date or in a secondary market, the price received upon sale will be subject to prevailing market conditions. The underlying assets of the auction rate securities are collateralized primarily by the underlying assets of certain AAA, AA, and A-rated securities. Management assessed the value of the auction rate securities as of June 30, 2026 and 2025, using market comparables and/or discounted cash flow valuation approach. Under the market comparables approach, indications of fair value from the secondary market are used to estimate the discount from par value based on trading activity for similar securities. The discounted cash flow approach utilizes a discounted cash flow model in which the expected future cash flows of the Student Loan Auction Rate Securities are discounted back to the measurement date using a yield that compensates for illiquidity. Both valuation methods described above take into consideration the risk and uncertainty associated with the pricing, given limited market activity and information. Management assessed the value of these securities as of June 30, 2026 and 2025, using a range of supportable market rates based upon an agreement with a reputable broker or purchaser to buy back these securities at the values stated.

NOTE 4 - INVESTMENTS IN UNCONSOLIDATED PARTNERSHIPS

Habitat owns limited partnership interests in four CAG National Funds. The ownerships are 55%, 42%, 46% and 57%, respectively. The partnerships were created to acquire vacant homes through the Department of Housing and Urban Development’s Federal Housing Administration Office of Asset Sales. Because Habitat does not have control of these partnerships, Habitat’s interest is accounted for under the equity method of accounting. Habitat invested an additional $277,000 for the year ended June 30, 2026 and recognized loss of $1,423,000 and $656,000 for the years ended June 30, 2026 and 2025, respectively. Total amount of

distributions for the years ended June 30, 2026 and 2025 are $1,517,000 and $2,170,000, respectively. The losses are reflected in other income, net in the accompanying consolidated statements of activities.

NOTE 5 - CONTRIBUTIONS AND GRANTS RECEIVABLE, NET

Contributions and grants receivable, net, as of June 30 consist of the following (in thousands):-

	2026	2025
Contributions	$ 85,046	$ 89,928
Government grants	1,447	1,134
	86,493	91,062
Less unamortized discount	(10,403)	(12,055)
	76,090	79,007
Less allowance for uncollectibles	(4,454)	(6,005)
	$ 71,636	$ 73,002

Discount rates ranged from 1.7% to 4.6% for the year ended June 30, 2026, and from 1.5% to 4.9% for the year ended June 30, 2025.

These receivables are due as follows as of June 30 (in thousands):

	2026	2025
Due in less than one year	$ 20,945	$ 24,708
Due in one to five years	50,691	48,294
	$ 71,636	$ 73,002

Contributions receivable includes donated product amounts of $12,238,000 and $11,091,000 as of June 30, 2026 and 2025, respectively.

Net contributions receivable includes one donor in 2026 and 2025 whose individual net outstanding contributions receivable are greater than 10% of the total net outstanding contributions receivable. As of June 30, 2026 and 2025, the net contributions receivable associated with these gifts totaled $48,688,000 and $51,262,000, respectively.

NOTE 6 - AFFILIATE NOTES, NET

Future principal payments on affiliate notes are as follows as of June 30 (in thousands):

Year Ended June 30,		2026
2027	$	22,613
2028		28,971
2029		20,578
2030		1,911
2031		8,675
		82,748
Allowance for loan losses		(1,744)
Total	$	81,004

NOTE 7 - LOANS TO MICROFINANCE INSTITUTIONS

Loans to microfinance institutions as of June 30, 2026, consist of interest-bearing loans, with interest rates at 0% with maturities ranging from 1 to 3 years.

Future principal payments are as follows as of June 30 (in thousands):

		2026		2025
2027	$	250	$	2,986
2028		361		757
2029		-		278
		611		4,021
Add value of derivative instruments		-		158
Less unrealized gain (loss) for currency exchange fluctuations		208		(193)
Less allowance for loan losses		(172)		(84)
	$	647	$	3,902

MicroBuild India provides financial services to low-income families to improve their housing conditions and quality of life and seeks to be catalyze innovative, scalable financial solutions to poverty housing in India. MicroBuild India provides innovative housing finance solutions, combining wholesale and retail lending with technical assistance to financial institutions seeking to develop and offer retail housing loan products.

MicroBuild India invests in shelter-related microfinance products through Microfinance Institutions (MFIs), Non-Banking Financial Companies (NBFC), and Housing finance Companies (HFC) and provides Retail Housing loans directly to customers through its own branches. At June 30, 2026 and 2025, all of MicroBuild's loans to microfinance institutions are with two and eighteen microfinance institutions in one and fourteen countries, respectively. As of June 30, 2026 and 2025, loans to microfinance institutions in India comprised 100% of the total outstanding portfolio.

All delinquent accounts are reviewed in accordance with the applicable Reserve Bank of India and National Housing Bank regulatory requirements and organizational policies prescribed for recovery. Generally, MicroBuild India discontinues interest accrual for all loans on which collection of interest is not reasonably expected (i.e., once the obligor becomes six months delinquent in paying its interest payments). Interest income on nonaccrual loans is recognized on a cash basis. Loans are returned to accrual status when all

principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Any concession, restructuring or settlement proposal is evaluated on a case-by-case basis, considering the borrower's financial position, recovery prospects, applicable regulatory requirements and organizational policies. However, MicroBuild India has not undertaken any loan restructuring or settlement to date. All write-offs are subject to approval by the Board.

Overdue accounts are classified based on the number of days past due (DPD) and classified in accordance with the applicable regulatory asset-classification norms.

In the event that a microfinance institution is unable to repay its loan according to its original schedule, MicroBuild India pursues collection and workout plans. Legal remedies are pursued to collect outstanding loan payments, if required.

Activity in the allowance for loan losses on loans to microfinance institutions is as follows for the years ended June 30 (in thousands):

	2026	2025
Balance at beginning of year	$ 84	$ 2,488
Allowance for loan losses	88	84
Write-offs	-	(2,455)
Recovery of previous loan provision	-	(33)
Balance at end of year	$ 172	$ 84

Under ASC Topic 310-10, *Accounting by Creditors for Impairment of a Loan*, a loan is considered impaired when, based on current information, it is probable that an entity will not receive all amounts due in accordance with the contractual terms of the underlying loan agreement. The fair value of the loan is then compared with the recorded investment in the loan to determine whether or not a specific reserve is necessary.

MicroBuild makes loans in foreign currencies, subject to various limitations, to accommodate clients who do not have access to U.S. currency. The portfolio includes a loan made in a foreign currency as listed below with the U.S. Dollar ($) equivalent as of June 30, 2026 and 2025 as follows (in thousands):

Currency	2026	2025
Indian Rupee	611	4,116
	$ 611	$ 4,116

NOTE 8 - DUE FROM AFFILIATES, NET

Due from affiliates, net are categorized as follows as of June 30 (in thousands):

	2026	2025
SHOP grant	$ 4,469	$ 4,611
Habitat 2.0 - Affiliate Collaborative Operating Model	8,477	6,819
Advances for EU grants	855	1,752
Note receivable from national organizations	741	986
Other	659	683
	15,201	14,851
Less allowance for uncollectibles	(1,556)	(1,252)
	$ 13,645	$ 13,599

Certain amounts included in the allowance for credit losses may be forgiven in the future and treated as program transfers to affiliates. Amounts written-off totaled $265,000 and $0 for the years ended June 30, 2026 and June 30, 2025, respectively.

NOTE 9 - INSTITUTIONAL LOANS AND MORTGAGES RECEIVABLE, NET

Future payments on institutional loans and mortgages receivable, net are as follows for June 30 (in thousands):

Year Ended June 30,	2026
2027	$ 3,874
2028	1,217
2029	191
2030	98
Thereafter	-
	5,380
Less loan discounts	(606)
Allowance for credit loses	(257)
Total	$ 4,517

NOTE 10 - AVAILABILITY OF FINANCIAL ASSETS

Habitat's financial assets available within one year of the statement of financial position date for general expenditure are as follows (in thousands):

	2026	2025
Cash and cash equivalents	$ 10,705	$ 58,199
Investments	274,720	246,642
Contribution receivables	20,945	24,708
Total financial assets available within one year	306,370	329,549
Less:		
Board-designated for operating reserve unavailable to management without Board approval	(78,424)	(75,499)
Management designation of unrestricted donation	(4,871)	(6,736)
Net assets with donor purpose restrictions	(95,260)	(91,480)
Program advances	(17,644)	(16,123)
Investments with maturities greater than one year	(19,993)	(20,282)
	$ 90,178	$ 119,429

Habitat structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, Habitat maintains a line of credit with a maturity date of February 1, 2027, in the aggregate amount of $10,000,000, which was available to be drawn upon, but was not drawn upon during the year. Further, Habitat maintains an operating reserve included as part of cash and cash equivalents on the accompanying consolidated statements of financial position.

NOTE 11 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net, as of June 30 consist of the following (in thousands):

	2026	2025
Land	$ 221	$ 221
Buildings and leasehold improvements	11,361	11,251
Computer hardware and software	13,166	12,933
Computer hardware and software under finance leases	1,162	1,133
Furniture and equipment, other	4,622	4,645
Vehicles	1,711	1,741
	32,243	31,924
Less accumulated depreciation and amortization	(27,223)	(25,095)
	$ 5,020	$ 6,829

Other supplemental disclosures related to property and equipment are as follows for the years ended June 30 (in thousands):

	2026	2025
Depreciation	$ 2,073	$ 1,975
Amortization on assets under finance leases	140	269
Accumulated amortization on finance leases	1,123	908

NOTE 12 - NOTES PAYABLE, NET

Notes payable, net, as of June 30, consist of the following (in thousands):

	2026	2025
Notes payable to U.S. International Development Finance Corporation (DFC) (formerly OPIC) secured by letters of credit, payable in quarterly installments of interest only at rates ranging from 3.84% per annum, with the principal sum due in full no later than October 25, 2025	$ -	$ 9,000
Non-interest-bearing performance based note payable	5,000	4,900
Notes payable by US Property Acquisition Fund to a collected group of Class A, Class B, and national banking association lenders for the purpose of making loans to HFHI, not to cumulatively exceed $72,500,000 in total with varying terms and interest rates. Lenders, conditions and terms are as follows:		
The Annie E Casey Foundation (Class B) - quarterly interest payments at the per annum rate of 2.00%, principle sum due not later than January 27, 2035.	2,000	1,000
Laura and John Arnold Foundation (Class A) - quarterly interest payments at the per annum rate of 5.00%, principle sum due not later than January 27, 2032.	2,000	1,000
Laura and John Arnold Foundation (Class B) - quarterly interest payments at the per annum rate of 2.00%, principle sum due not later than January 27, 2035.	4,667	2,333
JP Morgan Chase Bank (Class A) - quarterly interest payments at the per annum rate of 6.01%, principle sum due not later than January 27, 2032.	20,000	10,000
Enterprise Community Loan Fund (Class A) - quarterly interest payments at the per annum rate of 3.00%, principle sum due not later than January 27, 2032.	2,000	1,000
Impact Assets/ Mrs Greystone (Class B) - quarterly interest payments at the per annum rate of 2.00%, principle sum due not later than January 27, 2032.	11,750	5,500
Wells Fargo Bank (Class A) - quarterly interest payments at the per annum rate of 5.00%, principle sum due not later than January 27, 2032.	6,667	3,334
Amy Brakemman Traditional IRA (Class A) - quarterly interest payments at the per annum rate of 5.00%, principle sum due not later than January 27, 2032.	666	-
Bianca Passarelli 2023 Trust (Class A) - quarterly interest payments at the per annum rate of 5.00%, principle sum due not later than January 27, 2032.	333	-
Ahern Family Foundation (Class A) - quarterly interest payments at the per annum rate of 5.00%, principle sum due not later than January 27, 2032.	2,000	-
	57,083	38,067
Less unamortized debt issuance costs	-	(45)
Notes payable, net of unamortized debt issuance costs	$ 57,083	$ 38,022

Interest expense during the years ended June 30, 2026 and 2025, totaled $2,070,000 and $1,347,000, respectively.

Future principal payments are as follows (in thousands):

	Amount
2027	$ -
2028	-
2029	-
2030	1,000
2031	1,000
Thereafter	55,083
	$ 57,083

US Property Acquisition Fund LLC is subject to certain covenants, as defined in the credit agreement with the lenders, which includes ratios related to portfolio composition, loan delinquency, and leveraged capital. US Property Acquisition fund LLC was in compliance with the covenants on June 30, 2026, except for one financial covenant related to the Loan Loss Reserve account which was not met due to a timing difference resulting from funding two lines of credit on June 30, 2026. Additional cash reserves were funded into the Loan Loss Reserve account subsequent to the fiscal year end which brought the covenant into compliance. US Property Acquisition Fund LLC was in compliance with all covenants at June 30, 2025.

NOTE 13 - INVESTOR NOTES PAYABLE

Future principal payments on investor notes payable for the years ending June 30 are as follows (in thousands):

	2026
2027	$ 409
2028	1,375
2029	9,149
2030	14,996
2031	4,500
Thereafter	22,500
	$ 52,929

Interest expense during the years ended June 30, 2026 and 2025, totaled $1,036,000 and $980,000, respectively.

Investor notes payable require Habitat to monitor the compliance by each affiliate participating in this program with the terms and conditions of the agreement.

NOTE 14 - ENDOWMENT NET ASSET CLASSIFICATION

Habitat's endowment increased by $9,798,000 during fiscal 2026, for a total of $80,235,000. Habitat's endowment consists of 36 individual funds established by donors to provide annual funding for a variety of purposes.

Interpretation of Relevant Law - The Habitat Board of Directors has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act (UPMIFA) of 2008 as requiring the assets of an

endowment fund be donor-restricted until appropriated for spending, unless otherwise specifically stated in the gift instrument.

The Board believes its interpretation is consistent with its established board-approved investment and spending policy. In accordance with the investment policy and UPMIFA, all restricted endowment assets are invested on a pooled basis until appropriated for spending.

As a result of this interpretation, for accounting and financial reporting purposes, Habitat classifies the historic dollar value of assets received as its donor-restricted endowment, including any subsequent gifts and any accumulations to donor-restricted endowments made in accordance with the direction of the applicable donor gift instruments as net assets with donor restrictions.

In fiscal year 2023, the International Board of Directors approved and designated $20,000,000 as a quasi-endowment. The earnings on these funds are to function as unrestricted support of the general mission of Habitat.

Funds With Deficiencies - From time to time, certain donor-restricted endowment funds may have fair values less than the amount the donor or UPMIFA requires Habitat to retain as a fund of perpetual duration.

Return Objectives and Risk Parameters - Habitat has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the historic dollar value of the endowment assets. Endowment assets include those assets of donor-restricted funds the organization must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of benchmark indexes of similar asset classes while assuming a moderate level of investment risk. The targeted long-term rate of the return on net assets, net of fees, is approximately 5.5 percentage points greater than the anticipated rate of inflation as measured by the Consumer Price Index. This return objective incorporates expectations of 3 - 5% spending and 1% growth. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, Habitat relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Habitat targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Related to Spending Policy - In accordance with UPMIFA, Habitat considers the following factors in making a determination to appropriate and allocate assets for spending or accumulate assets of an endowment fund:

1. The duration and preservation of the endowment fund
2. The purposes of Habitat and its 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 endowment investments
6. Other resources of Habitat
7. The investment policies of Habitat

Endowment net asset changes for the years ended June 30, 2026 and 2025 (in thousands):

	2026	2025
Endowment net assets, beginning	$ 70,437	$ 65,880
Investment gain, net	11,995	6,907
Endowment cash additions	-	509
Appropriation of endowment assets for expenditure	(2,197)	(2,859)
	$ 80,235	$ 70,437

Endowment net asset composition by type of fund as of June 30, 2026 and 2025 (in thousands):

	2026		
	Total	Without Donor Restrictions	With Donor Restrictions
Donor-restricted endowments	$ 49,536	$ -	$ 49,536
Funds functioning as endowments (board-designated)	30,699	30,699	-
	$ 80,235	$ 30,699	$ 49,536

	2025		
	Total	Without Donor Restrictions	With Donor Restrictions
Donor-restricted endowments	$ 43,972	$ -	$ 43,972
Funds functioning as endowments (board-designated)	26,465	26,465	-
	$ 70,437	$ 26,465	$ 43,972

NOTE 15 - NET ASSETS

Net assets with donor restrictions consist of the following as of June 30 (in thousands):

	2026	2025
Geographically restricted	$ 19,498	$ 17,411
Programmatic restrictions for mission related projects	75,762	74,069
Time restricted (collections of pledges)	70,188	71,868
Endowment investment in perpetuity, the earnings thereon restricted to mission related projects	34,540	34,035
	$ 199,988	$ 197,383

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time for the years ended June 30, are as follows (in thousands):

	2026	2025
Release of net assets:		
Geographically restricted	$ 18,272	$ 18,780
Programmatic restrictions for mission-related projects	76,251	85,232
Time restrictions (collections of pledges)	16,016	19,571
	$ 110,539	$ 123,583

Net assets without donor restrictions consist of the following as of June 30 (in thousands):

	2026	2025
Undesignated controlling interests	$ 136,353	$ 132,005
Noncontrolling interests	1,777	8,508
Board-designated for operating reserve unavailable to management without Board approval	78,424	75,499
Quasi-endowment authorized by the board of directors	30,699	26,465
Management designation of unrestricted donation	4,871	6,736
	$ 252,124	$ 249,213

NOTE 16 - REVENUE FROM GOVERNMENT GRANTS AND SUBCONTRACTS

Federal awards received and expended for the years ended June 30 consist of the following (in thousands):

	2026	2025
Capacity Build	$ 4,651	$ 5,689
Self-Help Homeownership Opportunity Program (SHOP)	4,087	4,514
AmeriCorps/Vista	3,466	5,181
Veterans Housing Rehabilitation and Modification Program	1,102	1,444
Community Development Financial Institutions (CDFI)	-	5,078
United States Agency for International Development (USAID)	-	301
Other	1,137	1,573
Government grants per the consolidated statements of activities	14,443	23,780
Increase (Decrease) in Emergency Relief Program (ERP) 2022 due to other eligible cost will charged to the grant in FY25	-	22
Total expenditures of federal awards	$ 14,443	$ 23,802

NOTE 17 - EMPLOYEE BENEFITS

Full-time Habitat employees who elect to participate are provided health and death benefits through the Habitat for Humanity International Welfare Benefit Plan (the Plan). The Plan requires contributions by participants. Expenses incurred by Habitat in connection with the Plan, which is partially self-insured, totaled $10,519,000 and $9,675,000 for the years ended June 30, 2026 and 2025, respectively.

Habitat provides through the Habitat for Humanity Retirement Plan (the Retirement Plan), a defined contribution retirement plan to eligible plan participants. There are three components to the plan: (1) participant contributions, (2) a Habitat match equal to 100% of the first 6% of wages contributed by participants, and (3) a discretionary annual contribution by Habitat to each eligible participant's account. Participants are fully vested in Habitat's contributions after three years of service. Habitat's contributions to the Retirement Plan totaled $3,825,000 and $3,640,000 for the years ended June 30, 2026 and 2025, respectively.

NOTE 18 - LEASES

Habitat assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Habitat uses the rate implicit in the lease whenever that rate is readily determinable. Otherwise, the risk-free rate (such as government treasury bills) is used. Habitat has elected not to recognize right-of-use (ROU) assets and corresponding lease liabilities with a lease term of 12 months or less from the lease commencement date. Operating leases consist of primarily office and real estate leases, and finance leases are primarily related to equipment rental.

The following summarizes the line items in the statements of financial position which include amounts for operating and finance leases as of June 30 (in thousands):

	2026	2025
Finance Leases		
Property and equipment	$ 1,162	$ 1,133
Accumulated depreciation	(1,123)	(981)
Property and equipment, net	$ 39	$ 152

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended June 30 (in thousands):

	2026	2025
Operating lease cost:	$ 2,448	$ 2,566
Finance Lease Costs		
Amortization of lease assets	139	269
Interest on lease liabilities	14	27
Total finance lease costs	$ 153	$ 296

The following summarizes cash flow information related to leases for the year ended June 30 (in thousands):

	2026	2025
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flow from operating leases	$ 2,488	$ 2,566
Operating cash flow from finance leases	14	27
Financing cash flow from finance leases	96	269

The maturities of lease liabilities as of June 30, 2026 are as follows (in thousands):

	Operating	Finance
2027	$ 2,361	$ 17
2028	2,444	15
2029	2,385	14
2030	1,063	-
2031	30	-
Thereafter	-	-
Total lease payments	8,283	46
Less: interest	(584)	-
Present value of lease liabilities	$ 7,699	$ 46

The following table represents the weighted-average remaining lease term and discount rate as of June 30:

	2026	2025
Operating leases:		
Weighted average remaining lease terms (years)	2.92	3.88
Weighted average discount rate	1.98%	2.02%
Finance leases:		
Weighted average remaining lease terms (years)	3.37	1.37
Weighted average discount rate	4.75%	2.34%

The components of lease cost for operating leases are as follows (in thousands) as of June 30:

	2026	2025
Operating lease cost	$ 2,354	$ 2,458
Short term lease costs	94	108
Total	$ 2,448	$ 2,566

The lease costs are reflected in the Consolidated Statement of Functional Expenses in Office Expenses and have been functionally allocated based on the use of the office space.

NOTE 19 - CONTINGENCIES

Habitat is a defendant with respect to various claims that have occurred in the normal course of its business. Management and legal counsel believe the ultimate resolution of these claims will not have a material impact on Habitat's consolidated financial statements.

In August 2024, the Environmental Protection Agency (EPA) awarded Power Forward Communities $2 billion in funding under the Greenhouse Gas Reduction Fund (GGRF) established by the Inflation Reduction Act. Habitat for Humanity International and its subsidiary Habitat Capital received GGRF funding from Power Forward totaling $81,744,000 and $54,495,000 respectively. Subsequently, interest earned on the accounts has totaled $4,340,000 and $3,083,000, respectively. In March 2025, Habitat was notified the

grant program had been suspended by the EPA and the availability of the funds restricted. As a result, Habitat withdrew from the Power Forward consortium and formally requested the funds be returned to the grantor. At June 30, 2026, the funds remained in accounts held by Habitat. As such, the awards and interest earned totaling $143,662,000 and $138,288,000 are reflected in the consolidated statements of financial position as restricted cash and program advances as of June 30, 2026 and 2025, respectively.

NOTE 20 - AFFILIATE PROGRAMS

International and U.S. national organizations and affiliates are independent, not-for-profit groups that are approved by regional, area, or national offices of Habitat and operate under an affiliation agreement with Habitat. All affiliates are encouraged to be self-supporting in their fundraising efforts; however, Habitat also solicits contributions, both cash and donated product, on behalf of its affiliates. Habitat retains variance power with respect to these contributions. Contribution and program support provided to international and U.S. national organizations and affiliates totaled $159,961,000 and $152,407,000 in 2026 and 2025, respectively.

Some affiliates in developing countries, where severely limited resources constrain local fundraising, receive the majority of their funding from Habitat. All U.S. affiliates are expected to contribute a portion of their unrestricted cash contributions to support Habitat's work outside their own country. These contributions totaled $14,900,000 and $14,520,000 in 2026 and 2025, respectively.

Habitat agreed to guarantee a $590,000 mortgage note made on February 1, 1999, for Uptown Habitat for Humanity, Inc. (Uptown). The obligation is payable to the Illinois Housing Development Authority (IHDA), a body created by and existing pursuant to the Illinois Development Act and is due and payable on August 1, 2028. The note is secured by mortgages that were assigned by Uptown to IHDA, pursuant to a prior loan agreement between Uptown and IHDA.

Habitat offers a program to U.S. affiliates to guarantee certain bond issuances in the event of default by an affiliate. The aggregate amount of obligations guaranteed by Habitat under the program at June 30, 2026 and 2025 was $2,818,000 and $2,934,000, respectively.

NOTE 21 - RELATED-PARTY TRANSACTIONS

For the years ended June 30, 2026 and 2025, Habitat recorded $11,263,000 and $9,007,000 in contributions, respectively, and $8,046,000 and $14,890,000 in pledge payments, respectively, from members of Habitat's International Board of Directors (IBOD) and Habitat's Officers or from companies that they or their families represent. As of June 30, 2026 and 2025, Habitat had $63,585,000 and $73,322,000 of pledges receivable, respectively, from members of Habitat's IBOD or from companies that they or their families represent.

Several members of the IBOD are also on the Board of their respective national organizations. They all serve as volunteers and have no financial interest in the national organization.

NOTE 22 - SUBSIDIARY AND RELATED ENTITIES' STATEMENTS OF FINANCIAL POSITION AND STATEMENTS OF ACTIVITIES

On July 15, 2011, MicroBuild was formed. Habitat is a 51% owner of MicroBuild. The purpose of MicroBuild is to make loans to qualified microfinance institutions for the purpose of lending to housing projects in impoverished communities. In December 2025, MicroBuild LLC made equity distributions to members to initiate the dissolution process for the entity. As of June 30, 2026, all equity distributions had been made to members in accordance with the operating agreement.

On March 25, 2011, MicroBuild India was formed. Habitat is a 74.79% owner of MicroBuild India. The purpose of MicroBuild India is to make loans to qualified microfinance institutions for the purpose of lending to housing projects in impoverished communities.

The statements of financial position of Habitat's subsidiary and related entities before elimination and consolidation entries as of June 30, 2026 are as follows (in thousands):

	MicroBuild	MicroBuild India	Total
Assets			
Cash and cash equivalents	$ -	$ 1,993	$ 1,993
Restricted cash reserves	-		-
Loans to microfinance institutions, net	-	647	647
Other receivables and prepaids, net	-	4,895	4,895
Property and equipment, net	-	61	61
Derivative instruments, at fair value	-	-	-
Total assets	$ -	$ 7,596	$ 7,596
Liabilities and net assets			
Liabilities:			
Accounts payable and accrued expenses	$ -	$ 144	$ 144
Total liabilities	-	144	144
Net assets:			
Retained earnings and members' equity:			
Retained earnings and members' equity	-	5,666	5,666
Minority interest	-	1,786	1,786
Total retained earnings and members' equity	-	7,452	7,452
Total liabilities and net assets	$ -	$ 7,596	$ 7,596

The statements of financial position of Habitat's subsidiary and related entities before elimination and consolidation entries as of June 30, 2025 are as follows (in thousands):

	MicroBuild	MicroBuild India	Total
Assets			
Cash and cash equivalents	$ 19,555	$ 3,151	$ 22,706
Restricted cash reserves	176	-	176
Loans to microfinance institutions, net	2,567	1,177	3,744
Other receivables and prepaids, net	75	4,064	4,139
Property and equipment, net	-	74	74
Derivative instruments, at fair value	158	-	158
Total assets	$ 22,531	$ 8,466	$ 30,997
Liabilities and net assets			
Liabilities:			
Accounts payable and accrued expenses	$ 111	$ 293	$ 404
Loans payable	8,955	-	8,955
Total liabilities	9,066	293	9,359
Net assets:			
Retained earnings and members' equity:			
Retained earnings and members' equity	6,924	6,206	13,130
Minority interest	6,541	1,967	8,508
Total retained earnings and members' equity	13,465	8,173	21,638
Total liabilities and net assets	$ 22,531	$ 8,466	$ 30,997

The statements of activities (income statements) for Habitat's subsidiary and related entities before elimination and consolidation entries for the year ended June 30, 2026 are as follows (in thousands):

	MicroBuild	MicroBuild India	Total
Operating revenue:			
Interest and other income, net	$ 316	$ 703	$ 1,019
Provision for loan loss	-	(140)	(140)
Total operating revenue, net	316	563	879
Operating expenses:			
Program services:			
Professional fees	488	69	557
Interest expense	803	-	803
Other expenses	-	313	313
Total program services	1,291	382	1,673
Supporting services:			
Fundraising	-	44	44
Management and general	10	251	261
Total supporting services	10	295	305
Total operating expenses	1,301	677	1,978
Net loss from operations	(985)	(114)	(1,099)
Non-operating gains and losses:			
Realized loss on Investments	-	171	171
Unrealized loss on foreign exchange fluctuations	-	(776)	(776)
Non-operating loss, net	-	(605)	(605)
Net gain/(loss)	$ (985)	$ (719)	$ (1,704)

The statements of activities (income statements) for Habitat's subsidiary and related entities before elimination and consolidation entries for the year ended June 30, 2025 are as follows (in thousands):

	MicroBuild	MicroBuild India	Total
Operating revenue:			
Interest and other income, net	$ 1,509	$ 797	$ 2,306
Provision for loan loss	24	(101)	(77)
Total operating revenue, net	1,533	696	2,229
Operating expenses:			
Program services:			
Professional fees	43	47	90
Interest expense	740	-	740
Other expenses	407	313	720
Total program services	1,190	360	1,550
Supporting services:			
Fundraising	-	37	37
Management and general	-	259	259
Total supporting services	-	296	296
Total operating expenses	1,190	656	1,846
Net gain (loss) from operations	343	40	383
Non-operating gains and losses:			
Realized loss on Investments	(47)	-	(47)
Unrealized gain on derivative instrument	341	-	341
Unrealized loss on foreign exchange fluctuations	(126)	(51)	(177)
Non-operating loss, net	168	(51)	117
Net gain/(loss)	$ 511	$ (11)	$ 500

Interest and other income, net, is included in other income, net, in the accompanying consolidated statements of activities. Professional services are reported within professional services – other, and interest expense is reported within interest, service charges, and taxes in the accompanying consolidated statements of functional expenses. Program expenses are included in the appropriate natural classification in the accompanying consolidated statements of functional expenses.

Noncontrolling Interests

In December 2025, MicroBuild made equity distributions to its members in connection with the dissolution of the entity. The following table presents the changes in net assets without donor restrictions attributable to Habitat's controlling interest and noncontrolling interests for the year ended June 30, 2026 (in thousands):

	Controlling Interests	Noncontrolling Interests	Total Without Donor Restrictions
Net assets, beginning of year	$ 240,705	$ 8,508	$ 249,213
Change in net assets	9,633	(310)	9,323
Distributions to noncontrolling interests	-	(6,412)	(6,412)
Net assets, end of year	$ 250,338	$ 1,786	$ 252,124

NOTE 23 - CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

As of June 30, 2026, the consolidating statement of financial position of Habitat is as follows (in thousands):

June 30, 2026	Habitat for Humanity International, Inc.	Affiliates	Eliminations	Consolidated
Assets				
Cash and cash equivalents	$ 1,388	$ 9,317	$ -	$ 10,705
Restricted cash GGRF	143,662	-	-	143,662
Restricted cash all other	122,733	-	-	122,733
Investments at fair value	273,260	1,460	-	274,720
Investments in unconsolidated partnerships	4,889	-	-	4,889
Receivables:				
Contributions and grants, net	71,636	-	-	71,636
Affiliate notes, net	81,004	-	-	81,004
Due from affiliates, net	13,644	1	-	13,645
Loans to microfinance institutions, net	-	647	-	647
Institutional loans and mortgages receivable, net	-	4,517	-	4,517
Other, net	7,102	2,414	(43)	9,473
Total receivables	173,386	7,579	(43)	180,922
Inventories, net	4,562	10		4,572
Prepaids and other assets	17,853	215	(5,722)	12,346
Operating lease right-of-use assets	7,699	-	-	7,699
Land, buildings, and equipment, net of accumulated depreciation and amortization	4,339	681	-	5,020
Total assets	$ 753,771	$ 19,262	$ (5,765)	$ 767,268
Liabilities and net assets				
Accounts payable and accrued expenses	$ 26,861	$ 1,346	$ -	$ 28,207
Program advances GGRF	143,662	-	-	143,662
Program advances all other	16,100	1,544	-	17,644
Finance lease obligations	46	-	-	46
Operating lease liabilities	7,699	-	-	7,699
Due to affiliates	1,712	-	-	1,712
Notes payable, net	57,083	-	-	57,083
Charitable gift annuities	6,174	-	-	6,174
Investor notes payable	52,929	-	-	52,929
Total liabilities	312,266	2,890	-	315,156
Net assets:				
Without donor restrictions:				
Controlling interests	241,951	14,152	(5,765)	250,338
Noncontrolling interests	-	1,786	-	1,786
	241,951	15,938	(5,765)	252,124
With donor restrictions	199,554	434	-	199,988
Total net assets	441,505	16,372	(5,765)	452,112
Total liabilities and net assets	$ 753,771	$ 19,262	$ (5,765)	$ 767,268

“Affiliates” as used in the footnote presented above includes the following entities: ten national organizations that are registered as part of Habitat, Habitat for Humanity - Middle East, and MicroBuild India.

NOTE 24 - SUBSEQUENT EVENTS

Habitat has evaluated the need for adjustments and/or disclosure resulting from subsequent events in these consolidated financial statements through November 17, 2026, the date that the consolidated financial statements were available to be issued. During this period, there were no subsequent events that required recognition in the consolidated financial statements.

In August 2026, HFHI entered into a contribution agreement in the amount of $50,000,000 to be awarded through annual gifts of $10,000,000 over a five-year period beginning in December 2026. The contributions will include $25,000,000 in endowed funds. No amounts related to the agreement were recognized in the consolidated financial statements as of June 30, 2026.