

Maumee Valley Habitat for Humanity

Audited Financial Statements

December 31, 2025 and 2024

with Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Maumee Valley Habitat for Humanity
1310 Conant Street
Maumee, OH 43537

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Maumee Valley Habitat for Humanity (the Organization, a not-for-profit), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Maumee Valley Habitat for Humanity as of December 31, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Maumee Valley Habitat for Humanity and to meet our 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Maumee Valley Habitat for Humanity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Maumee Valley Habitat for Humanity'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.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2026 on our consideration of Maumee Valley Habitat for Humanity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Maumee Valley Habitat for Humanity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Maumee Valley Habitat for Humanity's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

May 6, 2026
Maumee, Ohio

Maumee Valley Habitat for Humanity
Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,129,930	936,556
Interest in assets held by community foundation	115,628	96,574
Mortgage receivable-current portion (net of discount and allowance for credit losses \$12,899 and \$13,121 for 2025 and 2024, respectively)	171,608	168,278
Accounts receivable-other	25,813	6,008
Grants receivable	2,177,753	939,318
Pledges receivable	25,500	24,399
Inventory-ReStore	89,498	160,402
Inventory-building materials	352,122	497,300
Property held for development-current portion	88,909	95,112
Homes held for resale	265,095	119,395
Construction in progress	995,667	520,014
Prepaid expenses	<u>163,862</u>	<u>35,975</u>
	<u>5,601,385</u>	<u>3,599,331</u>
Property and equipment:		
Land	245,000	245,000
Building and improvements	687,114	687,114
Equipment	113,102	82,810
Furniture and fixtures	37,945	37,945
Automobiles	<u>415,825</u>	<u>409,826</u>
	1,498,986	1,462,695
Accumulated depreciation	<u>(622,156)</u>	<u>(589,775)</u>
Net property and equipment	<u>876,830</u>	<u>872,920</u>
Other assets:		
Mortgage receivable (net of current portion, allowance for credit losses and discount)	3,500,430	3,178,115
Prepaid guaranty fee (net of amortization)	117,267	-
New markets tax credit (NMTC) investment	1,755,962	-
Property held for development - net of current portion	<u>9,334</u>	<u>37,338</u>
	<u>5,382,993</u>	<u>3,215,453</u>
	<u>\$ 11,861,208</u>	<u>7,687,704</u>

See accompanying notes to the financial statements.

Maumee Valley Habitat for Humanity
Statements of Financial Position (Continued)
December 31, 2025 and 2024

	2025	2024
Liabilities and Net Assets		
Current liabilities:		
Lines of credit	\$ 408,134	301,000
Accounts payable	965,856	117,443
Accounts payable-related party	13,800	15,973
Refundable advance	757,053	424,089
Payroll taxes payable	23,572	24,566
Accrued payroll	63,514	114,688
	2,231,929	997,759
Long-term liability:		
Loans payable NMTC, net of loan origination fees	2,287,521	-
	4,519,450	997,759
Net assets:		
Without donor restrictions	7,341,758	6,689,945
	\$ 11,861,208	7,687,704

See accompanying notes to the financial statements.

Maumee Valley Habitat for Humanity
Statements of Activities
Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues:						
Grants	\$ -	6,928,160	6,928,160	-	4,696,958	4,696,958
Transfers to homeowners	1,307,000	-	1,307,000	1,107,000	-	1,107,000
Contributed non-financial assets	1,279,326	-	1,279,326	1,618,870	-	1,618,870
ReStore sales	1,170,621	-	1,170,621	1,630,340	-	1,630,340
Contributions	728,139	406,064	1,134,203	241,526	410,291	651,817
Repair and rehab income	967,216	-	967,216	172,321	-	172,321
Mortgage discount amortization	275,122	-	275,122	307,404	-	307,404
Special events	11,428	169,665	181,093	14,224	204,224	218,448
Miscellaneous income	28,671	-	28,671	31,828	-	31,828
Gain (loss) on homes held for resale and fixed assets	28,451	-	28,451	(30,899)	-	(30,899)
Net investment return gain	22,510	-	22,510	11,970	-	11,970
NMTC revenue	4,252	-	4,252	-	-	-
Net assets released from restrictions:						
Satisfaction of donor restrictions	7,503,889	(7,503,889)	-	5,311,473	(5,311,473)	-
	<u>13,326,625</u>	<u>-</u>	<u>13,326,625</u>	<u>10,416,057</u>	<u>-</u>	<u>10,416,057</u>
Expenses:						
Program service-home construction and homeowner support	5,352,892	-	5,352,892	2,994,886	-	2,994,886
Program service-ReStore operations	1,775,299	-	1,775,299	2,300,701	-	2,300,701
Program service-roof replacement	1,709,166	-	1,709,166	2,267,780	-	2,267,780
Program service-owner occupied rehab	2,690,933	-	2,690,933	1,990,442	-	1,990,442
Management and general	633,121	-	633,121	667,332	-	667,332
Fundraising	513,401	-	513,401	441,024	-	441,024
	<u>12,674,812</u>	<u>-</u>	<u>12,674,812</u>	<u>10,662,165</u>	<u>-</u>	<u>10,662,165</u>
Change in net assets	651,813	-	651,813	(246,108)	-	(246,108)
Net assets, beginning of year	6,689,945	-	6,689,945	6,936,053	-	6,936,053
Net assets, end of year	<u>\$ 7,341,758</u>	<u>-</u>	<u>7,341,758</u>	<u>6,689,945</u>	<u>-</u>	<u>6,689,945</u>

See accompanying notes to the financial statements.

Maumee Valley Habitat for Humanity
Statements of Cash Flows
December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 651,813	(246,108)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	71,075	63,615
Change in interest in assets held by community foundation	(19,054)	(11,947)
Change in operating assets and liabilities:		
Mortgage receivable	(325,645)	(183,164)
Accounts receivable-other	(19,805)	64,468
Grants receivable	(1,238,435)	170,238
Pledges receivable	(1,101)	(5,045)
Inventory-ReStore	70,904	24,671
Inventory-building materials	145,178	110,482
Property held for development	34,207	79,996
Homes held for resale	(145,700)	(109,743)
Construction in progress	(475,653)	401,008
Prepaid expenses	(127,887)	(2,379)
Accounts payable	848,413	(150,442)
Accounts payable-related party	(2,173)	5,874
Refundable advance	332,964	118,451
Payroll taxes payable	(994)	16,664
Accrued payroll	(51,174)	13,328
Net cash (used in) provided by operating activities	(253,067)	359,967
Cash flows from investing activities:		
Prepaid guaranty fee	(117,267)	-
NMTC investment	(1,755,962)	-
Purchase of property and equipment	(74,077)	(125,000)
Net cash used in investing activities	(1,947,306)	(125,000)
Cash flows from financing activities:		
Net change in line of credit	107,134	(111,500)
Proceeds from loans payable NMTC	2,450,000	-
Loan origination fees	(163,387)	-
Net cash provided by (used in) financing activities	2,393,747	(111,500)
Net change in cash and cash equivalents	193,374	123,467
Cash and cash equivalents, beginning of year	936,556	813,089
Cash and cash equivalents, end of year	\$ 1,129,930	936,556
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 13,016	500

See accompanying notes to the financial statements.

Maumee Valley Habitat for Humanity
Statement of Functional Expenses
Year Ended December 31, 2025

	Home Construction and Homeowner Support	ReStore Operations	Roof Replacement	Owner Occupied Rehab	Management and General	Fundraising	Total
Expenses:							
Purchased services	\$ 45,381	12,447	1,051,280	2,467,454	20,873	24,749	3,622,184
Materials and supplies	1,847,049	8,526	302,469	-	-	-	2,158,044
Salaries and wages	478,190	419,001	263,848	154,862	448,540	327,253	2,091,694
Subrecipient grant expenses	1,979,692	-	-	-	-	-	1,979,692
Cost of goods sold	-	1,080,194	-	-	-	-	1,080,194
Discount on mortgages issued	710,612	-	-	-	-	-	710,612
Payroll taxes	21,613	38,049	23,634	13,019	35,723	26,247	158,285
Employee benefits	16,062	26,668	22,442	19,252	39,468	27,470	151,362
Affordability subsidy	90,000	-	-	-	-	-	90,000
Advertising	5,672	35,826	1,934	411	9,734	29,790	83,367
Insurance	28,904	19,767	13,479	16,140	3,937	-	82,227
Special events	-	-	-	-	-	64,737	64,737
Repairs and maintenance	12,678	26,221	8,929	102	-	-	47,930
Professional fees	16,141	-	-	-	23,417	-	39,558
Automobile	20,368	10,896	4,231	1,391	-	-	36,886
Credit card fees	-	26,152	-	-	3,714	-	29,866
Utilities	1,490	18,033	1,203	447	2,459	-	23,632
Tithe to International	21,779	-	-	-	-	-	21,779
Telephone	4,337	3,564	2,582	1,707	4,989	4,059	21,238
Management fee to International	7,474	5,666	2,893	3,962	-	-	19,995
Volunteer recognition	7,446	233	-	-	4,387	643	12,709
Interest expense	-	-	-	-	12,108	-	12,108
Meals and entertainment	571	311	97	326	6,702	2,087	10,094
Property tax	8,352	-	-	-	-	-	8,352
Warranty costs	4,064	-	-	3,777	-	-	7,841
Travel	4,247	-	893	-	1,322	594	7,056
Supplies and office expense	672	566	723	969	3,377	634	6,941
Postage	1,671	165	880	693	695	693	4,797
Dues and subscriptions	-	100	-	-	2,348	2,212	4,660
Professional development	865	85	1,623	295	85	1,692	4,645
Amortization of prepaids	-	-	-	-	2,860	-	2,860
Conference	320	-	-	-	2,038	310	2,668
Safety costs	2,255	-	54	-	-	-	2,309
Rent	-	1,750	-	-	-	-	1,750
Miscellaneous	1,127	-	227	-	311	-	1,665
Total expenses before depreciation	5,339,032	1,734,220	1,703,421	2,684,807	629,087	513,170	12,603,737
Depreciation and amortization of fixed assets	13,860	41,079	5,745	6,126	4,034	231	71,075
	<u>\$ 5,352,892</u>	<u>1,775,299</u>	<u>1,709,166</u>	<u>2,690,933</u>	<u>633,121</u>	<u>513,401</u>	<u>12,674,812</u>

See accompanying notes to the financial statements.

Maumee Valley Habitat for Humanity
Statement of Functional Expenses
Year Ended December 31, 2024

	Home Construction and Homeowner Support	ReStore Operations	Roof Replacement	Owner Occupied Rehab	Management and General	Fundraising	Total
Expenses:							
Materials and supplies	\$ 1,443,843	21,829	1,176,591	106	-	-	2,642,369
Purchased services	45,081	13,169	704,721	1,795,848	17,334	20,214	2,596,367
Salaries and wages	425,341	456,591	279,418	133,609	466,328	249,242	2,010,529
Cost of goods sold	-	1,526,002	-	-	-	-	1,526,002
Discount on mortgages issued	544,067	-	-	-	-	-	544,067
Payroll taxes	39,043	41,967	25,743	11,463	37,415	20,977	176,608
Employee benefits	30,007	35,113	26,881	16,573	41,550	19,460	169,584
Subrecipient grant expenses	146,500	-	-	-	-	-	146,500
Affordability subsidy	137,000	-	-	-	-	-	137,000
Advertising	17,891	46,778	2,864	859	23,944	21,196	113,532
Special events	-	-	-	-	-	95,283	95,283
Insurance	38,735	7,478	19,708	11,831	686	860	79,298
Repairs and maintenance	10,289	25,953	8,731	9	3,772	-	48,754
Professional fees	12,662	-	-	-	25,028	-	37,690
Credit card fees	14	32,560	-	-	3,979	-	36,553
Automobile	9,125	13,623	8,266	2,478	4	-	33,496
Tithe to International	24,338	-	-	-	-	-	24,338
Telephone	4,749	3,785	2,880	1,767	4,229	3,502	20,912
Utilities	1,241	15,190	1,128	378	2,071	-	20,008
Warranty costs	17,758	-	-	689	-	-	18,447
Rent	-	14,590	-	-	-	-	14,590
Meals and entertainment	1,604	1,650	85	476	7,369	2,203	13,387
Management fee to International	5,142	3,661	1,482	2,420	-	-	12,705
Property tax	12,621	-	-	-	-	-	12,621
Volunteer recognition	3,602	455	37	-	6,509	737	11,340
Dues and subscriptions	-	-	-	-	9,810	760	10,570
Postage	1,567	4,487	460	466	1,449	1,042	9,471
Professional development	1,451	1,612	1,430	2,233	736	1,581	9,043
Supplies and office expense	555	1,160	331	1,005	3,601	817	7,469
Conference	731	799	-	-	2,629	2,991	7,150
Travel	1,570	180	1,868	-	2,269	74	5,961
Miscellaneous	2,633	-	144	-	1,737	-	4,514
Safety costs	1,467	255	85	-	-	85	1,892
Interest expense	-	-	-	-	500	-	500
Total expenses before depreciation	2,980,627	2,268,887	2,262,853	1,982,210	662,949	441,024	10,598,550
Depreciation and amortization	14,259	31,814	4,927	8,232	4,383	-	63,615
Total expenses	\$ 2,994,886	2,300,701	2,267,780	1,990,442	667,332	441,024	10,662,165

See accompanying notes to the financial statements.

1. ORGANIZATION:

Maumee Valley Habitat for Humanity (the Organization) is a not-for-profit corporation whose mission is to ensure that low-to-moderate income individuals and families in Lucas County, Ohio, have access to safe, decent, and affordable housing. The Homeownership Program creates opportunities for affordable homeownership by building and selling homes at market value with a 0% interest mortgage. To help ensure affordability of housing costs to the homebuyer, an affordability subsidy may be provided. Qualifying Habitat homebuyers actively participate on their path towards homeownership by attending monthly education classes and volunteering alongside Habitat partners. The Organization utilizes volunteer labor and donated materials as much as possible. The Home Preservation Programs, Roof Replacement and Owner-Occupied Rehab, helps revitalize neighborhoods by stabilizing current housing stock and addressing other quality of life improvements for residents. Qualified homeowners are granted critical repairs that include roof replacements, lead abatement, and code standard upgrades. Additionally, the Organization organizes four Rock the Blocks annually which are an extension of these neighborhood revitalization efforts where hundreds of volunteers gather on one day to complete projects like park clean-up, tire removal, brush trimming, flower planting, and light exterior repairs.

The Organization also operates ReStore, which accepts donated building materials and large home items and sells them to the public. Proceeds from sales are then used to fund the Organization's programs. The Organization is also funded through grants, individual donations, corporate sponsorships and contributions, congregation sponsorships, and special events.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of presentation

The financial statement preparation of the Organization is in accordance with the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic *Not-for Profit Entities*. Under this topic, the Organization is required to report information regarding its financial position and activities by program categorized under two classes of net assets:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These assets may be used at the discretion of the Organization's management and the Board of Trustees.
- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature and will likely be met by actions of the Organization or by the passage of time. Other restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any net assets to be held in perpetuity as of December 31, 2025 and 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Revenue and revenue recognition

The Organization recognizes contributions when cash, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance barrier and a right of return – are not recognized until the conditions on which they depend have been met.

A portion of the Organization’s revenue is derived from cost-reimbursable local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures and has met other funding requirements in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures and meeting all other funding requirements are reported as refundable advances in the statement of financial position.

Advanced payments of \$757,053 and \$424,089 were received at December 31, 2025 and 2024, respectively, and are recorded on the statements of financial position as refundable advance.

Contributed non-financial assets

The Organization receives various contributions of non-financial assets in the performance of its mission. The following table represents contributed non-financial assets for the years ended December 31:

	<u>Revenue Recognized</u>		<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
	<u>2025</u>	<u>2024</u>			
Household goods and construction materials	\$ 933,962	1,366,221	Monetized (sold in ReStore)	No associated donor restrictions	Thrift shop value
Construction materials	304,754	239,002	Various house construction materials	Restricted to use in house construction	Estimated fair value on the basis of comparable sales prices
Construction Services	29,243	8,869	Various house construction related services including property surveys and architectural blueprints	No associated donor restrictions	Contributed services are valued at the estimated fair value based on current rates for similar services
Office/computer supplies	10,077	3,266	Office supplies	No associated donor restrictions	Estimated fair value on the basis of comparable sales prices
Legal Services	<u>1,290</u>	<u>1,512</u>	Various administrative legal matters	No associated donor restrictions	Contributed services from attorneys are valued at the estimated fair value based on current rates for similar legal services
Total contributed non-financial assets	\$ <u>1,279,326</u>	<u>1,618,870</u>			

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Cash and cash equivalents

For purposes of the statements of cash flows, cash and cash equivalents consist of cash on hand, cash in bank, and all short-term investments with an original maturity of three months or less.

Mortgage receivable

All mortgages are interest-free loans, payable monthly for a period of 15 to 40 years. The present value of the mortgages is calculated using a discount factor between 7% and 9%. The mortgages are shown on the statements of financial position net of this discount. Management reviews the homeowner's payment history on a monthly basis to identify delinquent accounts and to determine if an allowance is necessary.

If the mortgage is delinquent, a series of letters, phone calls, and involvement of an attorney will be used to collect the mortgage. When management determines a mortgage receivable is uncollectible, foreclosure action is taken. The Organization considers its mortgage lending activities to be an operating activity for the purpose of the statements of cash flows. The Organization contracts with a third party to service its mortgages. The third party's responsibilities include administration of mortgage escrow activity. Consequently, neither escrow cash nor the escrow obligations are presented in these financial statements as of December 31, 2025 and 2024.

Servicing activity

The Organization has retained servicing responsibilities on sold mortgages and receives annual servicing fees on the outstanding loan balances. The Organization is relying on a third party for servicing sold Mortgages. The Organization is not directly servicing the mortgages but is acting as an intermediary. Servicing rights are accounted for using the net method, where the Organization recognizes the income from servicing fees and simultaneously transfers an equivalent amount to the third party handling the actual servicing.

Mortgage discount amortization

The Organization uses the interest method of amortization to amortize the discount on the mortgages.

Inventory and building materials

Inventory and building materials have been recorded at cost. Donated items are recorded at fair value at the date of donation.

Property and equipment

Property and equipment purchased by the Organization are recorded at cost. The Organization follows the practice of capitalizing all expenditures for land, buildings, and equipment in excess of \$5,000; the fair value of donated fixed assets is similarly capitalized. Depreciation of equipment is recorded on the straight-line method based upon the estimated useful lives of the assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Contributed services

In addition to the professional services recognized, the Organization also receives a substantial number of services donated by the community in carrying out the Organization's purpose in constructing new homes or rehabbing existing homes for low-income families. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition as required by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-605, *Revenue Recognition*.

Homes held for resale

Homes that have been repurchased, foreclosed, or returned to the Organization are classified as available for resale. The amount recorded in the financial statements is the mortgage receivable net of the remaining discount and all costs to refurbish the home. This currently includes the construction cost of one home that the Organization built for use in its Homeownership Program but will likely sell on the open market. Homes held for resale as of the year ended December 31, 2025 and 2024 were \$265,095 and \$119,395, respectively. For the year ended December 31, 2025, realized gain on homes held for resale was \$14,366 and for the year ended December 31, 2024, realized loss on homes held for resale was \$30,899.

Loss on recycled homes

Costs and income associated with homes that have been returned to the Organization and sold to new homeowners are referred to as recycled homes and are recorded as gain or loss on recycled homes when sold. No recycled homes were transferred to new homeowners for the years ended December 31, 2025 and 2024.

Functional allocation of expenses

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. Expenses are directly applied when applicable and are allocated to programs or support services based on the table shown below. The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities. Such allocations are determined by management on an equitable basis. Allocated expenses include the following:

Expense	Allocation Method
Payroll and related expenses	Time and effort
Purchased services	Time and usage
Supplies & office expense	Estimated usage
Utilities and insurance	Square footage
Postage	Estimated usage
Repairs and maintenance	Square footage
Dues & subscriptions	Estimated usage
Volunteer recognition	Estimated usage
Safety	Estimated usage

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Advertising

The Organization expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2025 and 2024 amounted to \$83,367 and \$113,532, respectively.

Sales tax

The Organization collects sales taxes from ReStore customers and remits these amounts to applicable taxing authorities. The Organization's accounting policy is to exclude these taxes from revenues and expenses.

Federal income taxes

Maumee Valley Habitat for Humanity is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization has determined that there are no uncertain tax positions that require disclosure in these financial statements under the FASB Accounting Standards Codification Topic, *Income Taxes*.

Management estimates

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

Subsequent events

Subsequent events have been evaluated through May 6, 2026 which is the date the financial statements were available to be issued. There were no subsequent events that required adjustment to the financial statements or additional disclosure. The Organization has not received notification of any non-compliance issues regarding its federal funding.

3. CONCENTRATION OF CREDIT RISK:

Maumee Valley Habitat for Humanity builds and rehabs homes for low-income individuals in Lucas County of Northwest Ohio and sells the homes to the families at market value with an interest-free mortgage. The net amount uncollected as of December 31, 2025 was \$3,672,038 which is comprised of a gross receivable of \$7,013,558 and an unamortized discount of \$3,341,742. The net amount uncollected as of December 31, 2024 was \$3,346,393 which was comprised of a gross receivable of \$6,587,693 and an unamortized discount of \$3,241,300.

The Organization has cash and cash equivalents deposited in two financial institutions. Cash accounts at banks may at times exceed federally insured limits. The Organization has not experienced any losses in such accounts.

4. INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION:

The Organization’s fair value interest in Greater Toledo Community Foundation (GTCF) assets as of December 31, 2025 and 2024 was \$115,628 and \$96,574, respectively. The GTCF invests the assets in its investment pool and reinvests income earned. Investments include publicly traded mutual funds, bonds, and money markets.

5. MORTGAGE RECEIVABLE:

Mortgage aging analysis for the years ended December 31 is as follows:

	<u>2025</u>	<u>2024</u>
Current	\$ 171,608	168,278
Non-current net of discount and credit losses	3,500,430	3,178,115
	<u>\$ 3,672,038</u>	<u>3,346,393</u>

Allowance for credit losses for the years ended December 31 is as follows:

	<u>2025</u>	<u>2024</u>
Beginning Balance	\$ 13,121	13,121
Recovery	(222)	-
Ending Balance	<u>\$ 12,899</u>	<u>13,121</u>

Potential partner families complete an application for the Homeownership Program. The Homeowner Selection Committee reviews each application and documentation supporting the various selection criteria (need for adequate shelter, ability to pay, willingness to partner – put in sweat equity hours). The Homeowner Selection Committee recommends families who are ultimately approved by the Board.

Once approved, the partner family is required to sign a Letter of Notification and Acceptance to be part of the Program.

Once Program requirements are completed, the homeowner applies for a zero percent interest loan. Maumee Valley Habitat for Humanity is the lender. Income, asset, and debt information is collected and reviewed to ensure affordability as per Real Estate Settlement Procedures Act requirements. Maumee Valley Habitat for Humanity also ensures that homeowners’ monthly payment is no more than 30% of their monthly income. The attorney files mortgage documents on behalf of the Organization. In addition, the attorney maintains original signed mortgage documents on newer home closings at their office. The Organization receives copies of these documents for their files. These documents include, among others: a promissory note, a second and third promissory note (if applicable), open-end mortgage and security agreement, right of first refusal, a restrictive covenant if they received any down-payment assistance, and a limited warranty deed. All homes are sold at fair market value. The second promissory note represents the difference between the first mortgage on the home and the appraised value. The amount of the second promissory note is forgiven equally over the mortgage period. All the above documents are signed by the homeowner and the Chief Executive Officer.

5. MORTGAGE RECEIVABLE (CONTINUED):

Zero percent interest loans are provided to qualifying program participants who are typically low-to-moderate-income first-time homebuyers. The Organization has measures in place to ensure the homeowners can pay, and if they foreclose on the house, they will sell the house at fair market value. Most of these homes were subsidized.

6. PLEDGES RECEIVABLE:

Unconditional promises to give less than one year for the years ended December 31, 2025 and 2024 was \$25,500 and \$24,399, respectively.

7. FAIR VALUE MEASUREMENTS:

The FASB Accounting Standards Codification Topic, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

7. FAIR VALUE MEASUREMENTS (CONTINUED):

Following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Interest in assets held by community foundation: The Greater Toledo Community Foundation invests the assets in their investment pool and reinvests income earned which includes several publicly traded mutual funds and bonds.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2025 and 2024:

<u>Assets at Fair Value as of December 31, 2025</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest in assets held by community foundation:				
Money markets	\$ -	-	3,122	3,122
Mutual funds:				
Fixed income bond funds	-	-	5,747	5,747
Blend funds	-	-	106,759	106,759
Total mutual funds	-	-	112,506	112,506
Total	\$ -	-	115,628	115,628

<u>Assets at Fair Value as of December 31, 2024</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Interest in assets held by community foundation:				
Money markets	\$ -	-	3,051	3,051
Mutual funds:				
Fixed income bond funds	-	-	5,717	5,717
Blend funds	-	-	87,806	87,806
Total mutual funds	-	-	93,523	93,523
Total	\$ -	-	96,574	96,574

7. FAIR VALUE MEASUREMENTS (CONTINUED):

The following table presents the Organization's assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Balance at beginning of year	\$ 96,574	84,627
Change in interest in assets held by community foundation at year-end:		
Investment expenses	(425)	(388)
Interest and dividends	2,482	2,179
Gain on investments	<u>16,997</u>	<u>10,156</u>
Balance at end of year	\$ <u>115,628</u>	<u>96,574</u>

All assets are valued using a market approach, except for Level 3 assets. For Level 3 assets, the Organization's finance department, which reports to the Finance Director, determined the fair value measurement valuation policies and procedures. The fair value of the interest in assets held by the community foundation is determined by the fair value of the underlying assets of the foundation as provided by the custodian of the assets without adjustment by the Organization's management. At least annually, the finance department determines if the current valuation techniques used in the fair value measurements are still appropriate and evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

8. NET INVESTMENT INCOME:

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31:

	<u>2025</u>	<u>2024</u>
Interest income	\$ 3,276	2,179
Investment expenses	(425)	(388)
Gain on investments	<u>19,659</u>	<u>10,179</u>
Net investment return	\$ <u>22,510</u>	<u>11,970</u>

9. LINES OF CREDIT:

During the year ended December 31, 2025, the Organization began utilizing various lines of credit in order to leverage their mortgages in an effort to build capacity. Lines of credit for the years ended December 31 are as follows:

	<u>2025</u>	<u>2024</u>
Line of credit advance up to \$312,500, due November 18, 2026, with no interest.	\$ 307,875	301,000
Line of credit advance up to \$937,500, due November 18, 2026, with 6% interest.	17	-
Line of credit advance up to \$400,000, due October 26, 2026, with prime lending rate minus 0.5% interest.	242	-
Line of credit advance up to \$100,000, due April 30, 2026 with no interest. Renewed at 0% interest.	100,000	-
	<u>\$ 408,134</u>	<u>301,000</u>

10. RETIREMENT PLAN:

The Organization offers a Simple IRA Plan for all employees meeting certain eligibility requirements. The Organization matches up to 3% of the employee's eligible compensation, for employees making a contribution of 1% or greater. The Organization's contribution to the plan for the years ended December 31, 2025 and 2024 was \$45,325 and \$48,172, respectively.

11. NET ASSETS WITH DONOR RESTRICTIONS:

Contributions with donor restrictions received by the Organization are considered revenue with donor restrictions until the donor stipulated time expires or the purpose restriction is accomplished. Net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2025</u>	<u>2024</u>
Purpose restrictions accomplished:		
Home construction	\$ <u>7,503,889</u>	<u>5,311,473</u>

12. RELATED PARTY TRANSACTIONS:

The Organization is an affiliate of Habitat for Humanity International, Inc. Accounts payable to the affiliate totals \$13,800 and \$15,973 at December 31, 2025 and 2024, respectively. The Organization is a member of the state support organization, Habitat for Humanity of Ohio (HFHO). Accounts payable to HFHO totals \$0 at both December 31, 2025 and 2024. Expenses paid to HFHO was \$0 and \$7,500 for the years December 31, 2025 and 2024, respectively.

13. LIQUIDITY:

The Organization's cash management policy is to maintain adequate cash balances in order to meet its cash obligations for 90 days. If necessary, the Organization can pull funds from the four available lines of credit to assist with cash flow.

The following table represents the financial assets available to meet cash needs for general expenditures within one year at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 1,129,930	936,556
Mortgage receivable-current portion (net of discount)	171,608	168,278
Interest in assets held by community foundation	115,628	96,574
Accounts receivable-other	25,813	6,008
Grants receivable	2,177,753	939,318
Pledges receivable - current portion	<u>25,500</u>	<u>24,399</u>
Financial assets available at year-end	3,646,232	2,171,133
Less those unavailable for general expenditure within one year due to:		
Refundable advance	<u>757,053</u>	<u>424,089</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>2,889,179</u></u>	<u><u>1,747,044</u></u>

14. NEW MARKETS TAX CREDIT INVESTMENT AND LOANS PAYABLE:

The Organization participates in the New Markets Tax Credit (NMTC) program and generated federal tax credits in connection with a qualified community development investment. During the year, the Organization entered into an arrangement to sell the NMTCs to a third party and received proceeds related to the transaction. Because certain compliance and transfer conditions had not been met as of year-end, the proceeds are recorded as a loan payable in the accompanying statement of financial position and will be recognized as contribution revenue upon satisfaction of those conditions.

14. NEW MARKETS TAX CREDIT INVESTMENT AND LOANS PAYABLE (CONTINUED):

In 2025, the Maumee Valley Habitat for Humanity invested along with three other affiliates, in HFHI NMTC SUB-CDE X, LLC (CDE X) to take advantage of NMTC financing. NMTC financing allows an entity to receive a loan or investment capital from outside investors, who will receive new markets tax credits to be applied against their federal tax liability. Maumee Valley Habitat for Humanity invested a combination of cash \$180,496 and construction in progress \$1,578,328 totaling \$1,758,824 for a 16.67% share of project proceeds and secured a loan in the amount of \$2,450,000 payable to CDE X. The net proceeds resulting from the joint venture totaled \$407,662 and are being used solely for the purpose of constructing and selling qualified housing properties to low-income residents.

Maumee Valley Habitat for Humanity recorded a loan payable to CDE X in the amount of \$2,450,000 as part of the NMTC financing transaction. The loan has an accounting period of 7-years bearing interest at 1.34% per annum and requiring semi-annual interest-only payments in May and November through November 2032. At the end of the 7-year term management believes that the lender intends to forgive the outstanding balance of the loan upon the Organization’s continued compliance with certain operational and mission-related expectations, the promissory note does not contain provisions for forgiveness, nor has the lender provided written documentation releasing the Organization from its obligation to repay the loan.

Interest only payments on the original principal amounts are required to be repaid as follows:

2026	\$	32,848
2027		32,848
2028		32,848
2029		32,848
2030		32,848
Thereafter		<u>65,696</u>
	\$	<u>229,936</u>

Maumee Valley Habitat for Humanity incurred certain debt issuance costs, which are being amortized over the 7-year note terms. At the loan origination date, Maumee Valley Habitat incurred debt issuance costs of \$91,250 for a HFHI structuring fee and \$72,137 for NMTC closing fees. Unamortized debt issuance costs are reported as a direct reduction of the loan for the year ended December 31, 2025, as summarized below:

14. NEW MARKETS TAX CREDIT INVESTMENT AND LOANS PAYABLE (CONTINUED):

HFHI NMTC SUB-CDE X, LLC - loan payable		\$	2,450,000
Original HFHI structuring fee			(91,250)
Less: accumulated amortization			507
Net unamortized HFHI structuring fee			<u>(90,743)</u>
Original NMTC closing fees			(72,137)
Less: accumulated amortization			401
Net unamortized closing fees			<u>(71,736)</u>
Total loan payable NMTC, net			<u>\$ 2,287,521</u>

Interest expense on the loan for the year ended December 31, 2025, was \$5,566. HFHI withheld an affiliate guaranty fee of \$120,127 at the onset of the NMTC transaction. Amortization of the debt issuance costs amounted to \$3,768 for the year ended December 31, 2025.

Maumee Valley Habitat for Humanity
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

Recipient Department Federal Grantor / Pass-Through Grantor / Program Title	Award Number/s	Assistance Listing Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Housing and Urban Development (HUD)				
Passed through various sources (see tickmarks):				
CDBG - Entitlement Grants Cluster:				
	5G51005817REH, 5G51005816REH, 5G51005813HES, 5G44000STDADM & 5G43000STDADM	14.218	\$ 944,609	-
{a} Community Development Block Grants				
Total CDBG - Entitlement Grants Cluster			<u>944,609</u>	<u>-</u>
{a} Home Investment Partnerships Program		14.239	229,892	-
{d} Economic Development Initiative, Community Project Funding	B-23-CP-OH-1202	14.251	1,263,717	-
Total U.S. Department of Housing and Urban Development (HUD)			<u>2,438,218</u>	<u>-</u>
U.S. Department of Treasury				
{a} COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	4600007222	21.027	268,995	-
{b} COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	23HFHH-7XW-1120	21.027	1,729,866	1,238,434
{c} COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	23HFHH-7LP-1120	21.027	598,511	-
Total Coronavirus State and Local Fiscal Recovery Fund			<u>2,597,372</u>	<u>1,238,434</u>
Total U.S. Department of Treasury			<u>2,597,372</u>	<u>1,238,434</u>
Total expenditures of federal awards			<u>\$ 5,035,590</u>	<u>1,238,434</u>

Tickmarks:

- {a} Pass through the City of Toledo
- {b} Pass through Ohio Department of Development
- {c} Pass through Habitat for Humanity of Ohio
- {d} Direct Award

See accompanying notes to schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Maumee Valley Habitat for Humanity under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Maumee Valley Habitat for Humanity, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Maumee Valley Habitat for Humanity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

Maumee Valley Habitat for Humanity utilizes the de minimis indirect cost rate when allowed. Community Development Block Grants and Home Investment Partnerships Program passed through the City of Toledo, which did not allow for the de minimis indirect cost rate.



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

The Board of Trustees of
Maumee Valley Habitat for Humanity
1310 Conant Street
Maumee, OH 43537

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Maumee Valley Habitat for Humanity (a non-profit organization) which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 6, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Maumee Valley Habitat for Humanity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Clark, Schaefer, Hackett & Co

Maumee, Ohio

May 6, 2026



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Trustees of
Maumee Valley Habitat for Humanity
1310 Conant Street
Maumee, OH 43537

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Maumee Valley Habitat for Humanity's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Maumee Valley Habitat for Humanity's major federal programs for the year ended December 31, 2025. Maumee Valley Habitat for Humanity's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Maumee Valley Habitat for Humanity complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Maumee Valley Habitat for Humanity's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Maumee Valley Habitat for Humanity's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Maumee Valley Habitat for Humanity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Maumee Valley Habitat for Humanity's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Maumee Valley Habitat for Humanity's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Clark, Schaefer, Hackett & Co

Maumee, Ohio
May 6, 2026

Section I - Summary of Auditors' Results

Financial Statements

Type of report issued on financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	
ALN 14.251 – Economic Development Initiative, Community Project Funding	
Dollar threshold to distinguish between Type A and Type B Programs:	\$1,000,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings None

Section III - Federal Award Findings and Questioned Costs None

Section IV – Prior Audit Findings None

