GREATER CLEVELAND
HABITAT FOR HUMANITY, INC.,
GCHFH FUNDING COMPANY, LLC AND
2110 WEST 110TH, LLC

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

GREATER CLEVELAND HABITAT FOR HUMANITY, INC.,
GCHFH FUNDING COMPANY, LLC AND 2110 WEST 110TH, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Greater Cleveland Habitat for Humanity, Inc., GCHFH Funding Company, LLC and 2110 West 110th, LLC
Cleveland, Ohio

Opinion

We have audited the accompanying consolidated financial statements of Greater Cleveland Habitat for Humanity, Inc., GCHFH Funding Company, LLC and 2110 West 110th, LLC (nonprofit organizations), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Greater Cleveland Habitat for Humanity, Inc., GCHFH Funding Company, LLC and 2110 West 110th, LLC as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Greater Cleveland Habitat for Humanity, Inc., GCHFH Funding Company, LLC and 2110 West 110th, LLC 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 Consolidated 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 Greater Cleveland Habitat for Humanity, Inc., GCHFH Funding Company, LLC and 2110 West 110th, LLC's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Greater Cleveland Habitat for Humanity, Inc., GCHFH Funding Company, LLC and 2110 West 110th, LLC'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 Greater Cleveland Habitat for Humanity, Inc., GCHFH Funding Company, LLC and 2110 West 110th, LLC'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 audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Zinner & Co. LLP

Beachwood, Ohio

May 20, 2024

GREATER CLEVELAND HABITAT FOR HUMANITY, INC., GCHFH FUNDING COMPANY, LLC AND 2110 WEST 110TH, LLC

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 1,572,420	$ 751,588
Cash designated for home builds and other operational costs	437,779	244,405
Investments	2,293,530	3,993,001
Receivables		
Mortgages receivable	10,414,951	10,166,407
Escrows receivable	51,926	63,771
Discount and reserves for mortgages and escrows receivables	(2,858,058)	(2,609,676)
Unconditional promises to give - Without donor restrictions	409,832	613,872
Unconditional promises to give - With donor restrictions, net	175,000	348,426
Other receivables	105,308	289,012
Prepaid expenses and deposits	55,270	42,024
Inventories		
Materials inventory	50,168	52,957
ReStore inventory	520,368	554,594
Construction in progress		
New homes	2,295,929	949,691
Rehab homes	1,504,811	1,109,995
Anticipated loss on home builds	(470)	(183,794)
Property and equipment, net	4,800,766	1,551,593
Operating right-of-use-assets	791,108	1,694,991
Deposits and other assets	77,149	104,378
NMTC Investment	1,815,648	1,843,785
Total Assets	$ 24,513,435	$21,581,020
Liabilities		
Accounts payable	$ 95,794	$ 95,806
Accrued expenses	276,652	464,050
Note payable - Related party	1,000,000	0
Operating lease obligations	791,108	1,708,003
Finance lease obligations	30,409	53,628
Loans payable NMTC, net of unamortized loan origination fees	2,367,035	2,358,288
Notes payable, net of unamortized debt issuance costs	6,484,625	4,790,866
Total Liabilities	11,045,623	9,470,641
Net Assets		
Without Donor Restrictions		
Available for programs and services	6,380,582	7,273,566
Allocated to affordable housing programs	6,474,451	4,243,982
Total Net Assets Without Donor Restrictions	12,855,033	11,517,548
With Donor Restrictions	612,779	592,831
Total Net Assets	13,467,812	12,110,379
Total Liabilities and Net Assets	$ 24,513,435	$21,581,020

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

GREATER CLEVELAND HABITAT FOR HUMANITY, INC.,
GCHFH FUNDING COMPANY, LLC AND 2110 WEST 110TH, LLC

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions	$ 3,285,344	$ 313,136	$ 3,598,480
Grant funding	595,000	0	595,000
Home sales, net	1,112,000	0	1,112,000
ReStore sales activity			
Gross sales	2,848,124	0	2,848,124
Donated inventory	2,323,526	0	2,323,526
Less: Cost of sales	(2,551,823)	0	(2,551,823)
Other donated goods and services	400,000	0	400,000
Special events			
Gross revenue	141,152	0	141,152
Less: Direct expenses	(36,922)	0	(36,922)
Rental income	82,944	0	82,944
Investment income	406,538	0	406,538
Service fees and other income	348,572	0	348,572
	8,954,455	313,136	9,267,591
Net assets released from restrictions:			
Satisfaction of program restrictions	293,188	(293,188)	0
Total Reclassifications	293,188	(293,188)	0
Total Support and Revenues	9,247,643	19,948	9,267,591
Expenses			
Program services	6,978,262	0	6,978,262
General and administrative	501,442	0	501,442
Fundraising and development	430,454	0	430,454
Total Expenses	7,910,158	0	7,910,158
Change in Net Assets	1,337,485	19,948	1,357,433
Net Assets at Beginning of Year	11,517,548	592,831	12,110,379
Net Assets at End of Year	12,855,033	612,779	13,467,812
Net Assets With Donor Restrictions	0	(612,779)	(612,779)
Net Assets Without Donor Restrictions Allocated to Affordable Housing Programs	(6,474,451)	0	(6,474,451)
Net Assets Without Donor Restrictions Available for Programs and Services	$ 6,380,582	$ 0	$ 6,380,582

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

GREATER CLEVELAND HABITAT FOR HUMANITY, INC.,
GCHFH FUNDING COMPANY, LLC AND 2110 WEST 110TH, LLC

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions	$ 2,201,868	$ 75,968	$ 2,277,836
Grants and ERC funding	273,861	0	273,861
Home sales, net	2,024,000	0	2,024,000
ReStore sales activity			
Gross sales	2,699,527	0	2,699,527
Donated inventory	2,233,167	0	2,233,167
Less: Cost of sales	(2,641,454)	0	(2,641,454)
Contribution of assets, net of liabilities, from asset transfer agreement with Lorain County HFH	2,168,974	0	2,168,974
Special events			
Gross revenue	208,307	0	208,307
Less: Direct expenses	(38,242)	0	(38,242)
Investment loss	(782,987)	0	(782,987)
Service fees and other income	158,383	0	158,383
	8,505,404	75,968	8,581,372
Net assets released from restrictions:			
Satisfaction of program restrictions	519,136	(519,136)	0
Total Reclassifications	519,136	(519,136)	0
Total Support and Revenues	9,024,540	(443,168)	8,581,372
Expenses			
Program services	7,345,213	0	7,345,213
General and administrative	306,402	0	306,402
Fundraising and development	382,313	0	382,313
Total Expenses	8,033,928	0	8,033,928
Change in Net Assets	990,612	(443,168)	547,444
Net Assets at Beginning of Year	10,526,936	1,035,999	11,562,935
Net Assets at End of Year	11,517,548	592,831	12,110,379
Net Assets With Donor Restrictions	0	(592,831)	(592,831)
Net Assets Without Donor Restrictions Allocated to Affordable Housing Programs	(4,243,982)	0	(4,243,982)
Net Assets Without Donor Restrictions Available for Programs and Services	$ 7,273,566	$ 0	$ 7,273,566

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

GREATER CLEVELAND HABITAT FOR HUMANITY, INC., GCHFH FUNDING COMPANY, LLC AND 2110 WEST 110TH, LLC

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

		Supporting Services		
	Program Services	General and Administrative	Fundraising and Development	Total
Salaries and Related Expenses				
Salaries	$ 2,288,063	$ 211,662	$ 271,514	2,771,239
Payroll taxes	277,455	25,667	32,924	336,046
Employee benefits	379,527	35,109	45,037	459,673
Total Salaries and Related Expenses	2,945,045	272,438	349,475	3,566,958
Other Operating Expenses				
Advertising	48,103	320	6,460	54,883
Banking fees and charges	62,668	1,700	0	64,368
Costs of home construction	2,364,704	0	0	2,364,704
Critical home repairs	57,822	0	0	57,822
Depreciation, net of redistribution to CIP	60,559	0	0	60,559
Debt issuance costs	35,976	0	0	35,976
Mortgage portfolio costs				
Present value discount on mortgages issued	489,252	0	0	489,252
Imputed interest	(241,071)	0	0	(241,071)
Other portfolio costs	29,673	0	0	29,673
Dues and subscriptions	828	3,608	310	4,746
Equipment rental	12,436	11,288	0	23,724
Gifts and awards	20,038	0	0	20,038
Insurance	92,927	7,496	5,010	105,433
Interest	19,341	0	0	19,341
Miscellaneous operating expenses	71,700	2,111	1,589	75,400
Office and computer supplies	24,395	1,002	2,801	28,198
Postage and delivery	15,582	3,339	3,339	22,260
Professional fees and contract services	189,569	47,779	28,153	265,501
Property management	51,382	63,868	3,627	118,877
Rent and insurance	342,488	37,558	16,096	396,142
Repairs and maintenance	91,004	3,700	2,220	96,924
Security	2,618	240	144	3,002
Telephone	27,938	2,523	4,573	35,034
Travel, mileage and lodging	34,475	33,127	3,680	71,282
Utilities	124,564	10,800	3,600	138,964
Vehicle expense	17,510	0	0	17,510
Total Other Operating Expenses	4,046,481	230,459	81,602	4,358,542
Total Expenses	6,991,526	502,897	431,077	7,925,500
Less Eliminations	13,264	1,455	623	15,342
Total Consolidated Expenses	$ 6,978,262	$ 501,442	$ 430,454	$ 7,910,158
	89%	6%	5%	100%

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

GREATER CLEVELAND HABITAT FOR HUMANITY, INC., GCHFH FUNDING COMPANY, LLC AND 2110 WEST 110TH, LLC

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

		Supporting Services		
	Program Services	General and Administrative	Fundraising and Development	Total
Salaries and Related Expenses				
Salaries	$ 1,998,978	$ 142,640	$ 242,353	$ 2,383,971
Payroll taxes	226,819	16,185	27,499	270,503
Employee benefits	377,091	26,908	45,718	449,717
Total Salaries and Related Expenses	2,602,888	185,733	315,570	3,104,191
Other Operating Expenses				
Advertising	59,973	0	1,153	61,126
Banking fees and charges	55,455	1,663	0	57,118
Costs of home construction	3,065,972	0	0	3,065,972
Depreciation, net of redistribution to CIP	30,762	0	0	30,762
Debt issuance costs	41,774	0	0	41,774
Mortgage portfolio costs				
Present value discount on mortgages issued	649,905	0	0	649,905
Imputed interest	(158,962)	0	0	(158,962)
Other portfolio costs	52,038	0	0	52,038
Dues and subscriptions	3,006	253	150	3,409
Equipment rental	8,417	11,322	0	19,739
Gifts and awards	34,561	0	0	34,561
Insurance	73,076	5,638	3,752	82,466
Interest	1,242	0	0	1,242
Miscellaneous operating expenses	52,471	1,735	2,891	57,097
Office and computer supplies	40,179	1,790	2,890	44,859
Postage and delivery	12,396	2,656	2,656	17,708
Professional fees and contract services	158,063	6,465	12,552	177,080
Rent and insurance	315,117	56,000	24,000	395,117
Repairs and maintenance	44,102	1,686	1,033	46,821
Security	3,633	53	53	3,739
Telephone	23,646	2,452	4,131	30,229
Travel, mileage and lodging	28,395	18,860	8,117	55,372
Utilities	104,798	10,096	3,365	118,259
Vehicle expense	42,306	0	0	42,306
Total Other Operating Expenses	4,742,325	120,669	66,743	4,929,737
Total Expenses	$ 7,345,213	$ 306,402	$ 382,313	$ 8,033,928
	92%	4%	4%	100%

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

GREATER CLEVELAND HABITAT FOR HUMANITY, INC.,
GCHFH FUNDING COMPANY, LLC AND 2110 WEST 110TH, LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	$ 1,357,433	$ 547,444
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	95,941	56,310
Gain on fixed asset dispositions	(28,557)	0
Change in reserves for mortgages and escrows receivable	(51,790)	817,283
Amortization of mortgage loan discount	(189,080)	(671,816)
Change in assets held for sale	0	5,073
Change in measurement of operating leases	(13,012)	13,012
Discount on mortgages issued	489,252	671,816
Noncash contribution of building purchase value	(400,000)	0
Noncash contributed assets net of liabilities from Lorain County HFH	0	(2,350,104)
Cash provided (used) by changes in certain assets and liabilities:		
Mortgage receivable - New mortgages issued	(1,112,095)	(1,345,620)
Mortgage receivable - Payments received	885,275	183,921
Escrow receivable	11,845	(5,248)
Unconditional promises to give	377,466	(17,839)
Other receivables	183,704	226,488
Materials Inventory	2,789	1,043
ReStore inventory	34,226	172,382
Homes under construction	(1,830,479)	102,184
Anticipated loss on future home sales	(183,324)	43,794
Prepaid expenses and deposits	(13,246)	(25,720)
Deposits and other assets	27,229	9,076
Accounts payable	(12)	(63,826)
Accrued expenses	(187,398)	65,149
Net Cash Used by Operating Activities	(543,833)	(1,565,198)
Cash Flows from Investing Activities		
Investment activity, net	1,699,471	1,819,019
Proceeds from the sale of vacant lots	89,425	0
Proceeds from asset disposal	28,557	0
Investment in NMTC	28,137	18,766
Purchase of fixed assets	(2,945,114)	(41,977)
Net Cash Provided (Used) by Investing Activities	(1,099,524)	1,795,808

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

GREATER CLEVELAND HABITAT FOR HUMANITY, INC., GCHFH FUNDING COMPANY, LLC AND 2110 WEST 110TH, LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(CONTINUED FROM PREVIOUS PAGE)

	2023	2022
Cash Flows from Financing Activities		
Net payments on accelerated asset recovery loans	$ (21,724)	$ (20,769)
Proceeds from loans payable NMTC, net of loan origination fees	8,747	2,915
Net proceeds from Note payable - Related party	1,000,000	0
Net proceeds (repayments) on long-term debt	1,693,759	(842,253)
Net payments under finance lease obligations	(23,219)	(31,176)
Net Cash Provided (Used) by Financing Activities	2,657,563	(891,283)
Net Increase (Decrease) in Cash, Cash Equivalents and Designated Cash	1,014,206	(660,673)
Cash, Cash Equivalents and Designated Cash at Beginning of Year	995,993	1,656,666
Cash, Cash Equivalents and Designated Cash at End of Year	$ 2,010,199	$ 995,993
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 19,341	$ 1,242
Supplemental Disclosure of Non-Cash Transactions:		
Non-cash contributions of inventory received at fair market value	$ 2,323,526	$ 2,233,167
Non-cash cost of sales recognized	2,551,823	2,641,454
Non-cash contributions from asset transfer agreement with Lorain County Habitat for Humanity:		
Mortgages receivable	0	674,498
Escrow balances	0	(6,382)
Building	0	1,378,800
Construction in progress	0	437,873
ReStore Inventory	0	202,588
Retainage	0	150,000
Mortgage balances assumed	0	(487,273)

A portion of the purchase price of the building purchased by GCHFH in 2023, in the amount of $400,000, was donated by the sell

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Greater Cleveland Habitat for Humanity, Inc. (GCHFH), a not-for-profit organization, is an affiliate of Habitat for Humanity International, Inc., a non-denominational Christian not-for-profit organization whose purpose is to create decent, affordable housing for those in need, and to make decent shelter a matter of conscience for people everywhere. While Habitat for Humanity International, Inc. assists with informational resources, training, publications, prayer, support, and in other ways, GCHFH is primarily and directly responsible for its own operations.

GCHFH, through its many volunteers, constructs and rehabilitates affordable housing and transfers the homes to qualified families at appraised value and provides non-interest bearing mortgage loans. GCHFH is primarily responsible for the legal, organizational, fundraising, family selection and nurture, financial and construction aspects of the work.

During 2018 Habitat established the GCHFH Funding Company, LLC (Funding Company) under common control of the Habitat Board of Directors. Funding Company was formed to engage in the activity of acquiring and holding mortgage loans originated by Greater Cleveland Habitat for Humanity, Inc., the sole member, which are acquired and held in compliance with note purchase agreements between Greater Cleveland Habitat for Humanity, Inc. and financial institutions (See Note E).

During 2022 GCHFH entered into an asset transfer agreement with Lorain County Habitat for Humanity (LCHFH). As described in Note O, LCHFH disbanded and transferred its remaining assets and any outstanding escrow balances to GCHFH. GCHFH recorded Contribution of assets, net of liabilities, from LCHFH in the amount of $2,168,974 for the year ended December 31, 2022.

During 2023, GCHFH purchased a building at 2110 West 110th Street in Cleveland, Ohio. The building functions as the main operating headquarters of GCHFH. GCHFH previously leased this same space from an unrelated third party landlord. GCHFH established 2110 West 110th, LLC (2110 West) under common control of the GCHFH Board of Directors, for the purposes of purchasing the building and renting out and operating the building. GCHFH is the sole member of 2210 West. GCHFH is a tenant of 2110 West and intercompany rental revenues and expenses are eliminated in consolidation. 2110 West also leases office space within its building to a third party tenant.

The accompanying consolidated financial statements of GCHFH include the operations of GCHFH, Funding Company and 2110 West and are collectively referred to as GCHFH, unless specifically noted. All significant intercompany transactions have been eliminated in consolidation.

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958-205. Under ASC 958-205, GCHFH is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. ASC 958-205 requires board-designated funds to be reported as part of net assets without donor restrictions; accordingly, GCHFH reports designations of voluntary board-approved segregations of net assets without donor restrictions for specific purposes as a classification of net assets without donor restrictions.

Basis of Accounting

The consolidated financial statements of GCHFH have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

For purposes of the Consolidated Statement of Cash Flows, GCHFH considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include cash accounts designated by GCHFH for home builds and other operational costs.

The following table provides a reconciliation of cash and cash equivalents reported within the Consolidated Statement of Financial Position to the Consolidated Statements of Cash Flows as of December 31, 2023 and 2022:

	2023	2022
Cash and cash equivalents	$ 1,572,420	$ 751,588
Cash designated for home builds and other operational costs	437,779	244,405
	$ 2,010,199	$ 995,993

Unconditional Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unconditional Promises to Give (Continued)
The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. GCHFH uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. There was no allowance deemed necessary for uncollectible promises to give as of December 31, 2023 and 2022.

Mortgages Receivable, Discounts, and Allowances
As constructed and completed homes are transferred to qualified families, GCHFH allows qualified families to purchase the homes at appraised value subject to mortgages which bear no interest. Mortgages receivable consist of non-interest bearing mortgages secured by real estate and payable in monthly installments over the life of the mortgage. These mortgages are for terms generally between 15 and 30 years. The mortgages are recorded at the gross amount of payments to be received over the life of the mortgage and are discounted at various rates ranging from 7.23% to 9.00% based on the prevailing market rates at the inception of the mortgage as established by Habitat for Humanity International, Inc. A discount on the mortgages is recorded to reflect the economic benefit of the zero-interest-mortgage to the qualified families. Discounts are amortized over the life of the mortgage using the effective interest method.

Mortgages Receivable, Discounts, and Allowances
Mortgages receivable are periodically reviewed for uncollectibility based on past history and current economic conditions. GCHFH also holds a second mortgage on some properties that represents the difference between the estimated fair market value of the house and the first mortgage balance as of the transfer date.

The second mortgage is in place to mitigate the risk of the homeowner selling the home for a profit. In the event that a homeowner sells the home in less than ten years from the initial sale, GCHFH will receive the prorated portion of the mortgage amount from the proceeds of the sale. Due to the uncertainty regarding the potential for collection related to second mortgages, no amounts have been recorded in these consolidated financial statements. Proceeds from second mortgages would be recorded as income in the period collected.

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Mortgages Receivable, Discounts, and Allowances (Continued)

GCHFH has established several reserves to account for the risk of mortgage default. The reserve for loan loss is based on prior collection history of mortgages receivable. As of December 31, 2023 and 2022, GCHFH estimates that 2% of the loans issued will fall into foreclosure. The reserve balance is based on the total mortgages receivable less the present value discount and less the value of the mortgages that have fallen into pre-foreclosure as of year-end multiplied by the aforementioned percentage. As of December 31, 2023 and 2022, the reserve for loan loss was $157,100 and $164,900, respectively. The anticipated loss on foreclosed properties reserve has been established for delinquent mortgages that have entered the pre-foreclosure stage. GCHFH estimates that the resale value of a foreclosed home is $25,000. The anticipated loss on foreclosed properties reserve is the difference between the balance due on the mortgage in pre-foreclosure, any escrow receivable and the sum of the present-value reserve for that home and the $25,000 expected resale value as estimated by GCHFH. As of December 31, 2023, there were 2 homes in pre-foreclosure with balances totaling $106,061. As of December 31, 2022, there was 1 home in pre-foreclosure with a balance due of $66,029. As of December 31, 2023 and 2022, the reserve for anticipated loss on foreclosed properties was $29,400 and $19,200, respectively.

Escrow Receivables and Liabilities

GCHFH uses a third-party service provider to both collect and remit escrow amounts on behalf of qualified families for the payments of taxes and insurance. At times, GCHFH, will make advance payments for certain escrows due, such as forced placement insurance resulting in receivables from the applicable qualified families. During the closing process GCHFH, will receive escrow amounts from the title company that are then remitted to the third-party service provider for the payments of taxes and insurance. Any amounts temporarily held at year end are recorded as liabilities.

Homes Held for Rehab

If a partner family has difficulty making their mortgage payments, GCHFH will reclaim their home. In doing so, the value of the home when it is reclaimed is based on the mortgage receivable and escrow receivable balances due as of the date the home was reclaimed. A reclaimed home is considered construction in progress. While a home is held for rehab, GCHFH may incur costs associated with real estate tax, insurance, and securing the home.

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories consist of purchased and donated raw materials used in the construction of partner-family homes. The value of in-kind donations included in inventory is recorded at an estimated fair market value, as determined by management, at the time of receipt. All other inventory items are valued at the lower of cost or market. Purchased inventory is recorded at cost. ReStore (retail stores for sale of donated goods) inventory consists of contributed inventory, small furnishings, and tools. The value of the donated goods is determined based on the sales price received by GCHFH. At year end, the ReStore inventory value is determined based on management's estimation of the value of the inventory on hand.

Property and Equipment

Property and equipment are recorded at cost, or if donated, at estimated fair market value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Expenditures for replacements and improvements are capitalized while maintenance and repairs that do not improve or extend the life of the respective assets are expensed currently. GCHFH's capitalization threshold varies based on the type of expense incurred. Depreciation is computed using the straight-line method, utilizing the following lives:

Class	Years
Office furniture	3 - 5
Equipment	5
Vehicles	5
Building and improvements	20 - 40

Investments

Investments are valued at fair value.

Donated investments are reflected as contributions at their fair values at date of receipt. Dividend and interest income and gains and losses on investments are reflected in current activities without donor restrictions unless restricted by the donor, either by law or explicit donor stipulation, in which case they would be reported in activities with donor restrictions.

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Anticipated Loss on Future Home Builds

Losses are accrued on homes that GCHFH has committed to build for qualified families. This loss is determined by estimating the difference between the sale price of the homes and the total cost of construction.

Vacation Pay

Vacation pay is expensed when paid. Any accrual of vacation pay as of December 31, 2023 and 2022 is not material to the consolidated financial statements.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. GCHFH report gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and are reported in the Consolidated Statement of Activities as net assets released from restrictions. In situations where GCHFH meets all donor-imposed restrictions on amounts contributed for a specific purpose in the same reporting period in which the contribution was received, the contribution is reported as without donor restrictions support.

Revenue and Support With and Without Donor Restrictions

Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions.

When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Funds received related to conditional grants are classified as refundable advances until expended for the purposes of the grants.

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition for Contracts with Customers

GCHFH's revenue streams under contracts with customers consists primarily of revenues under the following categories:

ReStore sales: GCHFH operates ReStore locations to sell donated goods. All sales are recognized at the point in time the products are sold.

Transfers to homeowners: GCHFH transfers completed newly constructed or rehabilitated homes to homeowners in exchange for an interest free mortgage. Sales revenue is recognized at the point in time that the home transfers.

Rental income: 2110 West rents space to GCHFH and 3rd parties. Rental income is recognized over a period of time on a monthly basis as the space is made available to tenants. Inter-company rental income and expense are eliminated in consolidation.

Other income: At times, GCHFH generates revenues from one-time transactions such as sales of fixed assets, refunds, programmatic charges and revenues which are recognized at the point in time such a transaction occurs.

Revenue recognition for each of the revenue streams identified above are subject to the satisfaction of performance obligations. Revenue is recognized when performance obligations are satisfied over a period of time or at a point in time. Revenue is measured as the amount of consideration Habitat expects to receive in exchange for providing services. Any payments received in advance of satisfaction of performance obligations are recorded as deferred revenue until such obligation is met.

New Markets Tax Credit Financing

During 2021, GCHFH invested in two New Markets Tax Credit (NMTC) financing joint ventures with two other Habitat affiliates, to take advantage of tax credit equity financing (see Note R).

Donated Services

GCHFH receives various non-construction related services each year. These services do not meet the criteria for recognition under ASC 958-605 and are not reflected in the statements.

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Advertising costs are expensed as incurred. During the years ended December 31, 2023 and 2022, advertising costs were $59,895 and $58,164, respectively.

Functional Allocation of Expenses

Costs of providing various programs and supporting services are allocated based on specific identification, if practical. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include insurance, rent, repairs and maintenance, security, and depreciation, which are allocated on a square-footage basis, as well as, salaries, payroll taxes and benefits, which are allocated on the basis of estimates of time and effort.

Description of Functional Expenses

Program Services:

GCHFH strives to eliminate sub-standard housing through family development, neighborhood development and raising awareness of housing issues and solutions. GCHFH constructs affordable housing, transfers the homes to qualified families at appraisal value, and provides non-interest bearing mortgage loans. These homes serve as a catalyst for comprehensive neighborhood development projects that are supported by family and volunteer educational activities.

In addition, the ReStore (retail store for sale of donated goods) program’s primary goal is to raise money for GCHFH, while reducing the amount of building materials deposited in landfills. This will also provide materials and products at a reduced cost to local contractors and do-it-yourselfers.

General and Administrative:

Expenses are incurred in the day-to-day operations of GCHFH.

Fundraising and Development:

Expenses are incurred in raising additional funds for GCHFH.

Pervasiveness of Estimates

Management uses estimates and assumptions in preparing consolidated financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Actual results could vary from the estimates that were used.

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit Risk

Financial instruments that potentially subject GCHFH to concentrations of credit risk consist primarily of cash and equivalents and promises to give. GCHFH maintains its cash and equivalents with financial institutions and although at times they may have invested amounts in excess of any federal insurance limits, management does not feel that it is exposed to any substantial credit risk. Concentrations with respect to promises to give are limited due to the large number of donors comprising GCHFH's donor base and the variety of GCHFH's funding sources. As of December 31, 2023 and 2022, GCHFH had no other significant concentrations of credit risk.

Recently Adopted Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). This update addresses presentation and disclosure of contributed nonfinancial assets. This update will require a not-for-profit to present contributed nonfinancial assets as a separate line item in the Consolidated Statements of Activities, apart from contributions of cash and other financial assets, disclose contributed nonfinancial assets recognized within the Consolidated Statements of Activities disaggregated by category that depicts the type of contributed nonfinancial assets, and for each category of contributed nonfinancial assets recognized include the following qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period (if utilized, to disclose a description of the programs or other activities in which those assets were used), GCHFH's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets, a description of any donor imposed restrictions associated with the contributed nonfinancial assets, a description of the valuation techniques and inputs used to arrive at a fair value measure at initial recognition, and the principal market used to arrive at a fair value measure if it is a market in which the recipient Organization is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The ASU is to be applied on a retrospective basis and effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. GCHFH adopted ASU 2020-07 effective January 1, 2022 using the retrospective method. The adoption of the ASU did not result in any significant changes to the consolidated financial statements or disclosures.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) ("ASU 2016-02"). The objective of ASU 2016-02 is to recognize lease assets and lease liabilities by leases for those leases classified as operating leases under previous generally accepted accounting principles (GAAP). In June 2020, the FASB issued ASU 2020-05 as a limited deferral of the effective dates of two Updates, one of which is ASU 2016-02. Lease rules will now be applied for fiscal years beginning after December 15, 2021. During 2022, GCHFH adopted Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842).

NOTE A - NATURE OF THE ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements (Continued)
The adoption of the standard resulted in new recognition, presentation and disclosure requirements for lease assets and lease liabilities by entities for those leases classified as operating leases under previous GAAP. The adoption of this standard impacted the financial statements and footnote disclosures, as further described in Note L.

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

Subsequent Events
GCHFH has evaluated its December 31, 2023 consolidated financial statements for subsequent events through May 20, 2024, the date the consolidated financial statements were available to be issued and all relevant subsequent information is included within the applicable notes to the consolidated financial statements.

NOTE B - PROMISES TO GIVE

Unconditional promises to give as of December 31, 2023 and 2022 consist of the following:

	2023	2022
Promises to give without donor restrictions	$ 447,400	$ 670,535
Restricted for neighborhood revitalization, home builds and rehabs	175,000	350,000
Total unconditional promises to give	622,400	1,020,535
Less: Unamortized discount	(37,568)	(58,237)
Net Unconditional Promises to Give	$ 584,832	$ 962,298

	2023	2022
Amounts due in:		
Less than one year	$ 312,400	$ 590,000
One to five years	310,000	430,535
Total Amounts Due	$ 622,400	$ 1,020,535

NOTE B - PROMISES TO GIVE (CONTINUED)

Conditional promises to give at December 31, 2023 and 2022 consist of:

	2023	2022
Challenge grant	$ 0	$ 19,464
Ohio Environmental Protection Agency - Truck purchase	50,000	0
Cuyahoga Land Bank for three single family homes	0	135,000
Total Conditional Promises to Give	$ 50,000	$ 19,464

NOTE C - CONSTRUCTION IN PROGRESS

Costs incurred relating to homes under construction but not completed at the end of each year are recorded as construction in progress. Construction costs include the cost of labor and materials purchased by GCHFH. Donated materials are recorded based on their estimated value at the time of receipt. No amounts have been recorded in construction in progress for donated services, as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the construction of the homes.

Construction in progress on new homes as of December 31, 2023 and 2022 consist of the following:

New homes - January 1, 2023	$ 949,691
Additional costs incurred on beginning homes	2,470,616
New homes started during the year	5,048
New homes transferred to partner families plus one home sold to not-for-profit organization	(1,124,281)
Other transitions of new properties	(5,145)
New homes December 31, 2023	$ 2,295,929
New homes - January 1, 2022	$ 1,089,242
Additional costs incurred on beginning homes	459,542
New homes started during the year	499,248
New homes transferred to partner families	(1,098,341)
Other transitions of new properties	0
New homes December 31, 2022	$ 949,691

NOTE C - CONSTRUCTION IN PROGRESS (CONTINUED)

Construction in progress on rehab homes as of December 31, 2023 and 2022 consist of the following:

Rehab homes under construction - January 1, 2023	$ 1,109,995
Additional costs incurred on beginning homes	363,448
Rehab homes started during the year	905,397
Rehab Homes transferred to partner families	(730,992)
Other transitions of Rehab properties	(143,037)
Rehab homes under construction - December 31, 2023	$ 1,504,811
Rehab homes under construction - January 1, 2022	$ 634,755
Additional costs incurred on beginning homes	1,062,403
Rehab homes started and acquired during the year from Loain County HFH	1,172,088
Rehab Homes transferred to partner families	(1,533,440)
Other transitions of Rehab properties	(225,811)
Rehab homes under construction - December 31, 2022	$ 1,109,995

As of December 31, 2023 and 2022, GCHFH held 20 and 28 new homes, respectively, and 31 and 43 rehab homes, respectively, in construction in progress. Other transitions of properties occur when a property is expensed for the inability to build or rehab. These properties are typically sold to 3rd parties or donated to local land banks.

NOTE D - MORTGAGES RECEIVABLE

As homes are transferred to qualified families, GCHFH allows qualified families to purchase homes at appraised value subject to mortgages which bear no interest. These mortgages are for terms generally between 15 and 30 years. A discount on the mortgages is recorded in order to reflect the economic benefit of the zero-interest mortgage to the qualified families.

The discount recorded has been estimated based on the prevailing interest, as determined by Habitat for Humanity, International, Inc., at the point of inception. A portion of the discount is amortized as interest each year that the mortgage is outstanding. The discounted mortgages receivable balance is considered to be representative of fair value.

As further discussed in Note E, during 2022 GCHFH acquired 18 mortgages from LCHFH's qualified families. Mortgage balances at the date of acquisition amounted to $674,498 and the unamortized discount on the mortgages amounted to $380,499.

NOTE D - MORTGAGES RECEIVABLE (CONTINUED)

The mortgage receivable balance as of December 31, 2023 and 2022 is comprised of the following items:

	2023		
	Total	Current Portion	Long-Term Portion
Mortgage receivable - Gross	$ 10,414,951	$ 860,246	$ 9,554,705
Less:			
Discount on mortgages receivable	(2,664,688)	(385,140)	(2,279,548)
Allowance for foreclosure risk	(29,400)	0	(29,400)
Allowance for loan loss on non-AAR loans	(157,100)	0	(157,100)
Allowance for substitutions on AAR loans	(6,870)	0	(6,870)
Mortgage receivable - Net	$ 7,556,893	$ 475,106	$ 7,081,787

	2022		
	Total	Current Portion	Long-Term Portion
Mortgage receivable - Gross	$ 10,166,407	$ 768,650	$ 9,397,757
Less:			
Discount on mortgages receivable	(2,416,976)	(353,352)	(2,063,624)
Allowance for foreclosure risk	(19,200)	0	(19,200)
Allowance for loan loss on non-AAR loans	(164,900)	0	(164,900)
Allowance for substitutions on AAR loans	(8,600)	0	(8,600)
Mortgage receivable - Net	$ 7,556,731	$ 415,298	$ 7,141,433

During the year ended December 31, 2023, 11 homes were sold to qualified families recognizing $1,112,000 of revenue from the sales. In addition, one home was constructed and sold to a not-for-profit organization, based on a Memorandum of Understanding agreement, to assist the not-for-profit organization with its mission to empower women with children to become homeowners. GCHFH earned $180,000 from the not-for-profit organization for the completed home, with the remaining costs covered by a grant from the City of Cleveland HUD HOME funds and additional funds raised by GCHFH.

During the year ended December 31, 2022, 21 homes were sold to qualified families recognizing $2,024,000 of revenue from the sale.

As discussed in Note E, GCHFH entered into agreements with several local banks through which certain mortgages receivable were sold by GCHFH to the banks.

NOTE E - ACCELERATED ASSET RECOVERY LOANS

As discussed in Note D, in prior years, certain mortgage receivables were sold by GCHFH to banks at discounted rates ranging from 51% to 70% of the outstanding balance. As a term of the agreements, GCHFH agreed to service the loans for the banks at no additional cost. Additionally, if any mortgage becomes more than 60 days delinquent, GCHFH has agreed to substitute the delinquent mortgage for a current mortgage. As such, an allowance for substitutions has been established as of December 31, 2023 and 2022 in the amount of $6,870 and $8,600, respectively.

As the years ended December 31, 2023 and 2022, there were 7 and 8 mortgages, respectively, funding the portfolio balance with these financial institutions. The balance the banks expect GCHFH to collect and subsequently remit to them over the life of these sold mortgages amounted to $85,844 and $107,568, respectively, as of December 31, 2023 and 2022. Once these outstanding balances to the banks are fulfilled, any future mortgage collections on these mortgages will be retained by GCHFH. During the years ended December 31, 2023 and 2022 no banks exercised rights of recourse.

During 2018, the Funding Company issued and sold a secured note to an institutional purchaser pursuant to a note purchase agreement (see Note K) in the amount of $1,204.938 and used the proceeds to purchase 27 homeowner notes from GCHFH. The homeowner notes are owned by Funding Company and were pledged to the note purchaser as security for the secured note. A gain of $62,020 was recognized on the transaction. The mortgage notes are still being serviced by GCHFH, who also provides credit support.

During 2019, the Funding Company issued and sold a secured note to an institutional purchaser pursuant to a note purchase agreement (see Note K) in the amount of $1,985,230 and used the proceeds to purchase 35 homeowner notes from GCHFH. The homeowner notes are owned by Funding Company and were pledged to the note purchaser as security for the secured note. The mortgage notes are still being serviced by GCHFH, who also provides credit support.

During 2021, the Funding Company issued and sold a secured note to an institutional purchaser pursuant to a note purchase agreement (see Note K) in the amount of $2,022,191 and used the proceeds to purchase 25 homeowner notes from GCHFH. The homeowner notes are owned by Funding Company and were pledged to the note purchaser as security for the secured note. The mortgage notes are still being serviced by GCHFH, who also provides credit support.

During 2021, the Funding Company issued and sold a secured note to an institutional purchaser pursuant to a note purchase agreement (see Note K) in the amount of $514,928 and used the proceeds to purchase 5 homeowner notes from GCHFH. The homeowner notes are owned by Funding Company and were pledged to the note purchaser as security for the secured note. The mortgage notes are still being serviced by GCHFH, who also provides credit support.

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment, as of the year ended December 31, 2023 and 2022 are comprised of the following:

	2023	2022
Land	$ 847,592	$ 0
Office and ReStore equipment	169,009	155,753
Building	3,731,208	1,378,800
Leasehold improvements	105,855	95,373
Finance lease right-of-use-assets	344,039	394,204
Vehicles	163,267	41,891
Construction equipment	107,031	107,031
	5,468,001	2,173,052
Less: Accumulated depreciation	667,235	621,459
	$ 4,800,766	$ 1,551,593

Depreciation expense, net of redistribution to CIP for the years ended December 31, 2023 and 2022 totaled $60,559 and $41,774, respectively.

NOTE G - INVESTMENTS

The following is a summary of costs and fair values of assets held in GCHFH's investment portfolio as of December 31, 2023 and 2022.

	2023		
	Cost	Fair Value	Unrealized Loss
Cash equivalents	$ 225,580	$ 225,580	$ 0
Mutual funds	1,420,739	1,304,951	(115,788)
Exchange traded funds	780,460	762,999	(17,461)
	$ 2,426,779	$2,293,530	$ (133,249)

	2022		
	Cost	Fair Value	Unrealized Loss
Cash equivalents	$ 196,081	$ 196,081	$ 0
Mutual funds	3,695,175	2,871,497	(823,678)
Exchange traded funds	1,064,009	925,423	(138,586)
	$ 4,955,265	$3,993,001	$ (962,264)

NOTE H -FAIR VALUE MEASUREMENTS

GCHFH uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

NOTE H -FAIR VALUE MEASUREMENTS (CONTINUED)

In accordance with ASC 820-10, GCHFH has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that GCHFH has the ability to access. These include investments that are recorded at fair value on a recurring basis and fair value measurement is based upon quoted prices, if available. Securities valued using Level 1 inputs include those traded on an active exchange and other exchange trade securities.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for subsequently the full term of the asset or liability.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The following table presents GCHFH's fair value hierarchy by level for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2023 and 2022.

	2023			
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash equivalents	$ 225,580	$ 225,580	$ 0	$ 0
Mutual funds	1,304,951	1,304,951	0	0
Exchange traded	762,999	762,999	0	0
Total investments at fair value	2,293,530	2,293,530	0	0
Donated inventory at fair value	520,368	0	0	520,368
Total assets at fair value	$2,813,898	$2,293,530	$ 0	$ 520,368

	2022			
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash equivalents	$ 196,081	$ 196,081	$ 0	$ 0
Mutual funds	2,871,497	2,871,497	0	0
Exchange traded	925,423	925,423	0	0
Total investments at fair value	3,993,001	3,993,001	0	0
Donated inventory at fair value	554,594	0	0	554,594
Total assets at fair value	$4,547,595	$3,993,001	$ 0	$ 554,594

NOTE H -FAIR VALUE MEASUREMENTS (CONTINUED)

Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. GCHFH receives donated goods which are recorded at fair value (level 3) which is determined by a calculation which values donated materials using a method which estimates inventory based on factors such as net sales and inventory turnover. There have been no changes in valuation techniques and related inputs during the current periods.

NOTE I - ASSETS HELD FOR RESALE

Property and land donated to GCHFH for the purpose of resale are recorded on the balance sheet at their estimated market value. GCHFH reviews all assets held for resale (as well as property and equipment) for impairment whenever changes in circumstances indicate that the carrying value of the assets may not be recoverable. As of December 31, 2023 and 2022 there are no assets held for resale.

NOTE J - LINE OF CREDIT

On March 25, 2019, GCHFH entered into a line of credit agreement with a bank in the amount of $250,000. The line of credit bears interest at the Wall Street Journal Prime Rate (8.50% and 7.50% as of December 31, 2023 and 2022, respectively) and is collateralized by essentially all the assets of GCHFH. Amounts outstanding were $0 as of both the years ended December 31, 2023 and 2022.

NOTE K - NOTES PAYABLE

Long-term debt as of December 31, 2023 and 2022 is comprised of the following:

	2023	2022
Note payable to a bank, with an original amount of $1,204,938, secured by 27 homeowner mortgages (See Note E). Payments due in monthly installments of $6,456, without interest until August 2024 at which time payments decrease to $6,153 per month through January 2029. Commencing in February 2029, the monthly payments decline gradually until the maturity date of May 2042.	$ 830,299	$ 907,193

NOTE K - NOTES PAYABLE (CONTINUED)

Long-term debt as of December 31, 2023 and 2022 is comprised of the following:

	2023	2022
Note payable to a bank, with an original amount of $1,985,230, secured by 33 homeowner mortgages (See Note E). Payments due in monthly installments of $10,474, without interest until January 2024 at which time payment decreases to $10,351 for one month and then to $10,127 per month until August 2028. Commencing in September 2028, the monthly payments decline gradually until the maturity date of December 2043.	$ 1,422,064	$ 1,544,734
Note payable to a bank, with an original amount of $2,022,191, secured by 25 homeowner mortgages (See Note E). Payments due in monthly installments of $10,691, without interest until March 2025 at which time the payment gradually decreases until the maturity date of July 2046.	1,722,849	1,851,138
Note payable to a bank, with an original amount of $514,928, secured by 5 homeowner mortgages (See Note E). Payments due in monthly installments of $2,466, without interest until November 2036 at which time the payment gradually decreases until the maturity date of October 2044.	458,208	487,801
Mortgage note payable with a bank in the original amount of $2,240,000. The mortgage bears monthly interest at 6.44% and requires 119 monthly payments in the amount of $15,040.77, with a final balloon payment due on October 5, 2033. The mortgage is collateralized by the building located at 2110 W. 110th Street.	2,058,945	0
Total Notes Payable	6,492,365	4,790,866
Less: Unamortized debt issuance costs	7,740	0
	6,484,625	4,790,866
Less: Current portion	401,921	357,447
Long-term debt, net of current portion	$ 6,082,704	$ 4,433,419

NOTE K - NOTES PAYABLE (CONITNUED)

Required annual principal payments for the next five years as of December 31, 2023 are as follows:

2024	$ 401,921
2025	401,749
2026	403,397
2027	406,546
2028	410,069
Thereafter	4,468,683
Total	$ 6,492,365

NOTE L –LEASES COMMITMENTS

As of December 31, 2023 and 2022, GCHFH has financing lease agreements to finance the purchase of various vehicles used in operations. The property is capitalized at the present value of the minimum lease payments.

The original capitalized cost of the property under lease purchase agreements amounted to $344,039 and $394,204 as of the years ended December 31, 2023 and 2022, respectively. Accumulated depreciation on the property amounted to $274,357 and $316,036 as of December 31, 2023 and 2022, respectively.

The following is a schedule of the future minimum lease payments required under the financing leases and the present value of the minimum lease payments as of December 31, 2023:

2024	$ 15,891
2025	12,746
2026	2,124
2027	0
2028	0
	30,761
Less: Amount representing interest	352
Present value of minimum lease payments	$ 30,409

GCHFH leases office space, copiers and warehouse space through operating lease agreements which expire through January 2029.

NOTE L –LEASES COMMITMENTS (CONTINUED)

During 2022, GCHFH implemented Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02 related to leases. ASU 2016-02 requires the recognition of right-of-use assets and corresponding lease liabilities, initially measured at the present value of the lease payments. The Company adopted the ASU on January 1, 2022 using a prospective approach, and as such recorded right-of-use assets and operating lease liabilities totaling $2,108,997.

The net present value of the lease commitments are calculated using the risk free rate practical expedient resulting in discount rates ranging from .96% to 4.63%. The right-of-use assets and operating lease liabilities are being amortized over the respective lives of the leases. As of December 31, 2023 and 2022, the unamortized right-of-use assets were valued at $791,108 and $1,694,991, respectively and the unamortized operating lease liabilities were valued at $791,108 and $1,708,003, respectively.

As of December 31, 2023, the future minimum lease commitments under operating leases are as follows:

2024	$ 211,468
2025	213,228
2026	156,173
2027	140,363
2028	137,063
Thereafter	11,397
Total minimium future rental payments	869,692
Less: Imputed interest	78,584
Total operating lease liability	$ 791,108

Rent expense, including lease expense and other costs, for office/warehouse space and leased equipment, amounted to $356,650 and $430,674 for the years ended December 31, 2023 and 2022, respectively.

As further described in Notes A and K, GCHFH began renting its main office space from 2110 West, which was formed in 2023 as an LLC for the purpose of acquiring the building that is GCHFH's main operating headquarters. GCHFH is the sole member of 2110 West. Prior to the acquisition, GCHFH rented its main office space from an unrelated landlord. Rental income and rent expense between 2110 West and GCHFH totaling $15,342 for the year ended December 31, 2023 were eliminated in consolidation.

2110 West also leases office space within its building to a third party with a lease term that extends through March 31, 2027. The lease was transferred from the previous landlord during the transaction to purchase the building at 2110 West 110th Street.

NOTE L –LEASES COMMITMENTS (CONTINUED)

The following is a schedule by years of future minimum lease revenues required to be paid to 2110 West under operating leases with initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2023:

2024	$ 259,500
2025	259,500
2026	259,500
2027	64,875
	$ 843,375

NOTE M – BOARD DESIGNATED FUNDS AND RESTRICTIONS ON NET ASSETS

It is the policy of the Board of Directors of GCHFH to designate appropriate sums of net assets without donor restrictions to ensure timely payment of certain liabilities. Since the board-designated funds resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions. Net assets with donor restrictions as of December 31, 2023 and 2022 are available for the following purposes:

	2023	2022
Restricted for future home rehabs	$ 477,822	$ 446,978
Restricted for mortgage relief	80,946	100,983
Restricted for international projects	0	12,055
Restricted for Neighborhood Clean Up	54,011	32,815
Total Net Assets With Donor Restrictions	$ 612,779	$ 592,831

NOTE N – RELATED PARTY TRANSACTIONS AND NOTE PAYABLE – RELATED PARTY

GCHFH is an affiliate of Habitat for Humanity International and Habitat for Humanity Ohio. As an affiliate, GCHFH is encouraged to contribute a portion of its revenue to Habitat for Humanity International, for use in carrying out its mission across the world. GCHFH paid such fees amounting to $85,000 and $50,000 for the years ended December 31, 2023 and 2022, respectively. As of 2014 GCHFH is required to pay an annual affiliate fee. During both the years ended December 31, 2023 and 2022, an annual affiliate fee of $25,000 was charged by Habitat for Humanity International. Habitat also pays minor ReStore fees to Habitat for Humanity International and at times other one-time fees to both Habitat for Humanity International and Habitat for Humanity Ohio.

During December 2023, GCHFH obtained a short-term loan in the amount of $1,000,000 from a Board member. The loan will be applied in 2024 to the down payment for 19 modular homes. The loan is non-interest bearing, with no incremental payment terms.

NOTE N – RELATED PARTY TRANSACTIONS AND NOTE PAYABLE – RELATED PARTY (CONTINUED)

The ARPA funding is due to be collected in 2024. All amounts outstanding under this note are due no later than December 31, 2024, the maturity date, although the maturity date may be extended by mutual agreement between GCHFH and the payee. GCHFH may make, from time to time, additional payments to the payee in amounts of not less than $1,000. The loan is classified as a short-term liability.

As further discussed in Note L, GCHFH began renting its main office space from 2110 West once the building was purchased by 2110 West from the previous owner. GCHFH is the sole member of 2110 West, an LLC. Rental income and expense between 2110 West and GCHFH totaling $15,342 for the year ended December 31, 2023 and were eliminated in consolidation.

NOTE O - DONATED GOODS AND SEVICES

The value of donated goods and services included in the financial statements for the years ended December 31, 2023 and 2022, are as follows:

	2023	2022
Inventory contributed for sale at *ReStore*	$ 2,323,526	$2,233,167
	$ 2,323,526	$2,233,167

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific projects and administration. These services do not meet the criteria for recognition under ASC 958-605.

During 2023 GCHFH purchased its main operating location building from its former landlord. The purchase agreement terms stated that the purchase price included a donated value of $400,000. Therefore, $400,000 was recognized as other donated goods and services in the Consolidated Statement of Activities.

During 2022, LCHFH informed GCHFH of its intention to disband and transfer all of the remaining LCHFH assets and liabilities to GCHFH in the form of a donation. The net transfer occurred on September 30, 2022 resulting in a net contribution of $2,168,974 as follows:

Cash	$ 188,796
Mortgages	674,498
Unamortized discount on mortgages	(380,499)
Escrow balances	(6,382)
Building	1,378,800
Construction in progress	437,873
ReStore Inventory	202,588
Retainage	150,000
Mortgage balance assumed	(487,273)
Legal fees	10,573
Contribution of assets, net of liabilties	$ 2,168,974

NOTE O - DONATED GOODS AND SEVICES (CONTINUED)

LCHFH's ReStore building was donated with a net book value of $1,378,000 and a related mortgage on the property of $487,273. Upon donation GCHFH paid the remaining mortgage balance in full and owns the property outright. The property is being used by GCHFH as a ReStore location in Amherst, Ohio. GCHFH received homes under construction approximating $437,873 in value. Certain properties will be completed by GCHFH and mortgaged to qualified family partners. Others were deemed in 2023 to not be viable lots for GCHFH to build on and were either sold or donated to land banks. GCHFH acquired 18 mortgages from LCHFH's qualified families. As further described in Note D, mortgage balances at the date of acquisition amounted to $674,498 and the unamortized discount on the mortgages amounted to $380,499. As discussed in Note S, GCHFH became the beneficiary in a trust. LCHFH withheld $150,000 as retainage until September 30, 2023.

NOTE P – RETIREMENT PLAN

GCHFH adopted a 401(k) retirement plan effective January 1, 2016, which was most recently restated and amended effective December 29, 2023. The Plan is a safe harbor 401(k) plan and covers substantially all employees, as defined in the Plan Agreement. Participating employees may elect to contribute, on a tax-deferred basis or to an In-Plan Roth IRA, a portion of their compensation in accordance with section 401(k) of the Internal Revenue Code. Employees must have completed 6 months of service and be at least 18 years of age to be eligible on the entry date, which is the first date of each quarter. Participants may make rollover contributions into the Plan and rollover contributions can be withdrawn by participants at any time. GCHFH provides matching contributions of 100% of each participant's elected deferral, not to exceed 4% of an employee's compensation, plus 25% of each employee's elective deferral in excess of 4% but not in excess of 6% of the participant's compensation. For the years ended December 31, 2023 and 2022, GCHFH's contributions, net of forfeitures, amount to $115,065 and $107,420, respectively. The plan provides for a traditional automatic contribution arrangement for all employees who become participants on or after the effective date of the Automatic Deferral provision of January 1, 2020. Unless an employee makes an affirmative election, GCHFH will withhold 4% of compensation, as defined in the Plan Agreement, for each payroll period, with no escalation of the automatic deferral amount.

NOTE Q - INCOME TAXES

GCHFH qualifies as a charitable organization under Section 501(c)(3) of the Internal Revenue Code, under a group exemption granted by Habitat for Humanity International, Inc. and operates as a public charity and accordingly, is exempt from income taxes.

Funding Company was formed with a single member with the intent that it be a disregarded entity for the purpose of the Internal Revenue Code.

NOTE Q - INCOME TAXES (CONTINUED)

As of January 1, 2022 and for the years ended December 31, 2023 and 2022, GCHFH had not engaged in any activity which management considers to be activity that could result in a loss of its 501(c)(3) IRS designation.

For the years ended December 31, 2023 and 2022, there was no tax interest or penalties reflected in the Consolidated Statement of Activities or in the Consolidated Statements of Financial Position. GCHFH follows GAAP for Uncertainty in Income Taxes. GCHFH's income tax filings are subject to audit by various taxing authorities. In evaluating GCHFH's activities, GCHFH believes its position of tax-exempt status is appropriate based on current facts and circumstances

NOTE R – NEW MARKETS TAX CREDIT INVESTMENT AND LOANS PAYABLE

In 2021 GCHFH invested, along with two other Habitat affiliates, into two joint ventures named HFHI NMTC SUB-CDE IV, LLC (IV CDE) and HFHI NMTC SUB-CDE V, LLC (V CDE) 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.

GCHFH invested a combination of cash ($1,051,945) and construction in progress ($824,734) totaling $1,876,679 for a 30.28% share of project proceeds and secured a loan in the amount of $2,273,349 payable to IV CDE and $252,594 payable to V CDE. The net proceeds resulting from the joint venture totaled $347,252 and are being used solely for the purpose of construction and selling qualified housing properties to low-income residents. GCHCH recorded a loan payable to IV CDE in the amount of $2,273,349 and a loan payable to V CDE in the amount of $252,594 as part of the NMTC financing transaction. Both loans have accounting periods of 7-years bearing interest at .737931% and .789723%, respectively, per annum and requiring semi-annual interest-only payments in May and November through March 2028. At the end of the 7-year term the loans will be forgiven. Interest expense on the loans for both the years ended December 31, 2023 and 2022 was $18,771. Amortization of the debt issuance costs amounted to $8,747 and $2,916 for the years ended December 31, 2023 and 2022, respectively.

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

2024	$ 18,771
2025	18,771
2026	18,771
2027	18,771
2028	4,640
Thereafter	0
Total	$ 79,724

NOTE R – NEW MARKETS TAX CREDIT INVESTMENT AND LOANS PAYABLE (CONTINUED)

HFHI withheld an Affiliate Guaranty Fee of $127,068 at the onset of the NMTC transaction. The fee is earned and paid back to GCHFH on a semi-annual basis in June and December over the 7-year accounting period of NMTC. GCHFH has earned $49,919 and $22,690 as of December 31, 2023 and 2022, respectively.

GCHFH incurred certain debt issuance costs, which are being amortized over the 7-year note terms. At the loan origination date GCHFH incurred debt issuance costs of $94,080 for a HFHI Structuring Fee and $80,864 for NMTC Closing Fees.

Unamortized debt issuance costs are reported as a direct reduction of the loan as of and for the years ended December 31, 2023 and 2022, as summarized below:

	2023		2022	
HFHI NMTC SUB-CDE IV, LLC - Loan Payable	$2,273,348		$2,273,348	
HFHI NMTC SUB-CDE V, LLC - Loan Payable	252,593		252,593	
Total NMTC Loans Payable		$2,525,941		$2,525,941
Original HFHI Structuring Fee	(94,079)		(94,079)	
Less: Accumulated amortization	8,624		3,920	
Net Unamortized HFHI Structuring Fee		(85,455)		(90,159)
Original NMTC Closing Fees	(80,863)		(80,863)	
Less: Accumulated amortization	7,412		3,369	
Net Unamortized Closing Fees		(73,451)		(77,494)
Total Loan payable NMTC, net		$2,367,035		$2,358,288

NOTE S – BENFICIAL INTEREST IN FOUNDATION FUND

During 2014, LCHFH established the Lorain County Habitat for Humanity Fund (the Fund) with funds contributed by various donors. An irrevocable and absolute assignment of the property funds was made to the Community Foundation of Lorain County (the Foundation). Upon donation of all LCHFH assets and interests to GCHFH, as further described in Note O, GCHFH became the beneficiary of the income distributions of the Fund.

NOTE S – BENFICIAL INTEREST IN FOUNDATION FUND (CONTINUED)

The Fund assists with fulfilling general public charitable goals. The Foundation's Board can vote to distribute all or a portion of the fund's income to the donor agency, which is now GCHFH, for such purposes. The principal of the Fund is an asset of the Foundation. If GCHFH ceases to carry on its general public charitable goals, ceases to operate in Lorain County, or if distribution of the funds by the Foundation become inconsistent with the charitable intentions of the agreement, the Board of Directors of the Foundation is authorized to distribute said income to other organizations that will substantially carry out the original purposes of the donors.

As a community foundation, the Foundation has variance power with respect to this Fund and has absolute discretion over the funds. As such, the GCHFH has not recorded the value of this Fund as an asset and revenue was not recorded by LCHFH when contributed by the donors to establish the Fund. Interest income is recorded annually upon distribution by the Foundation. There were no interest distributions to GCHFH during the fiscal years ended December 31, 2023 and 2022.

NOTE T – LIQUIDITY

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

	2023	2022
Cash and cash equivalents	$ 1,572,420	$ 751,588
Receivables	105,308	289,012
Mortgages receivable		
Current portion of mortgages receivable	860,246	768,650
Less: Current portion of discount on mortgages receivable	(385,140)	(353,352)
Unconditional promises to give - Without donor restrictions, due within one year	137,400	340,000
Investments	2,293,530	3,993,001
	$ 4,583,764	$ 5,788,899

In addition to the financial assets noted above, Habitat has $437,779 and $244,405 as of December 31, 2023 and 2022, respectively of cash that is board designated for home builds and other operational costs, which may be used with consent of the board at any time. Habitat currently maintains ReStore locations in which inventory is readily sold for unrestricted cash to be used for operations. Net assets with donor restrictions will generally be used in the next fiscal year on various purposes closely related to home builds and other operational costs. As described in Note J, Habitat has an available line of credit in the amount of $250,000 which may be utilized for general expenditures.

**GREATER CLEVELAND HABITAT FOR HUMANITY, INC.,
GCHFH FUNDING COMPANY, LLC AND 2110 WEST 110TH, LLC**

CONSOLIDATING FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

GREATER CLEVELAND HABITAT FOR HUMANITY, INC., GCHFH FUNDING COMPANY, LLC AND 2110 WEST 110TH, LLC

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	GCHFH	Funding Company	2110 WEST 110TH, LLC	Eliminations	Total
Assets					
Cash and cash equivalents	$ 1,530,721	$ 1,743	39,956	$ 0	$ 1,572,420
Cash designated for home builds and other operational costs	437,779	0	0	0	437,779
Investments	810,072	1,483,458	0	0	2,293,530
Receivables					
Mortgages receivable	6,061,966	4,352,985	0	0	10,414,951
Escrows receivable	51,926	0	0	0	51,926
Discount and reserves for mortgages and escrows receivables	(2,858,058)	0	0	0	(2,858,058)
Unconditional promises to give - Without donor restrictions	409,832	0	0	0	409,832
Unconditional promises to give - With donor restrictions, net	175,000	0	0	0	175,000
Other receivables	103,700	0	1,608	0	105,308
Prepaid expenses and deposits	55,270	0	0	0	55,270
Investment in subsidiary	1,397,619	0	0	(1,397,619)	0
Inventories					
Materials inventory	50,168	0	0	0	50,168
ReStore inventory	520,368	0	0	0	520,368
Construction in progress					
New homes	2,295,929	0	0	0	2,295,929
Rehab homes	1,504,811	0	0	0	1,504,811
Anticipated loss on home builds	(470)	0	0	0	(470)
Property and equipment, net	1,615,469	0	3,185,297	0	4,800,766
Operating right-of-use-assets	791,108	0	0	0	791,108
Intercompany receivable (payable)	(27,487)	0	0	27,487	0
Deposits and other assets	77,149	0	0	0	77,149
NMTC Investment	1,815,648	0	0	0	1,815,648
Total Assets	$16,818,520	$ 5,838,186	$ 3,226,861	$(1,370,132)	$24,513,435
Liabilities					
Accounts payable	$ 95,674	$ 0	$ 120	$ 0	$ 95,794
Intercompany (receivable) payable	(69,161)	(27,487)	69,161	27,487	0
Accrued expenses	224,726	0	51,926	0	276,652
Notes payable - Related party	1,000,000	0	0	0	1,000,000
Operating lease obligations	791,108	0	0	0	791,108
Finance lease obligations	30,409	0	0	0	30,409
Loans payable NMTC, net of unamortized loan origination fees	2,367,035	0	0	0	2,367,035
Notes payable, net of unamortized debt issuance costs	0	4,433,419	2,051,206	0	6,484,625
Total Liabilities	4,439,791	4,405,932	2,172,413	27,487	11,045,623
Net Assets					
Without Donor Restrictions					
Available for programs and services	5,211,065	115,069	1,054,448	0	6,380,582
Allocated to affordable housing programs	6,554,885	(80,434)	0	0	6,474,451
	11,765,950	34,635	1,054,448	0	12,855,033
Donated capital	0	1,397,619	0	(1,397,619)	0
Total Net Assets Without Donor Restrictions	11,765,950	1,432,254	1,054,448	(1,397,619)	12,855,033
With Donor Restrictions	612,779	0	0	0	612,779
Total Net Assets	12,378,729	1,432,254	1,054,448	(1,397,619)	13,467,812
Total Liabilities and Net Assets	$16,818,520	$ 5,838,186	$ 3,226,861	$ (1,370,132)	$24,513,435

See accompanying independent auditor’s report on consolidating information.

GREATER CLEVELAND HABITAT FOR HUMANITY, INC., GCHFH FUNDING COMPANY, LLC AND 2110 WEST 110TH, LLC

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

	GCHFH	Funding Company	Eliminations	Total
Assets				
Cash and cash equivalents	$ 750,100	$ 1,488	$ 0	$ 751,588
Cash designated for home builds and other operational costs	244,405	0	0	244,405
Investments	1,915,976	2,077,025	0	3,993,001
Receivables				
Mortgages receivable	5,424,149	4,742,258	0	10,166,407
Escrows receivable	63,771	0	0	63,771
Discount and reserves for mortgages and escrows receivables	(2,609,676)	0	0	(2,609,676)
Unconditional promises to give - Without donor restrictions, net	613,872	0	0	613,872
Unconditional promises to give - With donor restrictions, net	348,426	0	0	348,426
Other receivables	289,012	0	0	289,012
Prepaid expenses and deposits	42,024	0	0	42,024
Investment in subsidiary	2,207,619	0	(2,207,619)	0
Inventories				
Materials inventory	52,957	0	0	52,957
ReStore inventory	554,594	0	0	554,594
Construction in progress				
New homes	949,691	0	0	949,691
Rehab homes	1,109,995	0	0	1,109,995
Anticipated loss on home builds	(183,794)	0	0	(183,794)
Property and equipment, net	1,551,593	0	0	1,551,593
Operating right-of-use-assets	1,694,991	0	0	1,694,991
Intercompany Receivable	4,285	0	(4,285)	0
Deposits and other assets	104,378	0	0	104,378
NMTC Investment	1,843,785	0	0	1,843,785
Total Assets	$16,972,153	$6,820,771	$(2,211,904)	$21,581,020
Liabilities				
Accounts payable	$ 95,806	$ 0	$ 0	$ 95,806
Intercompany payable	0	4,285	(4,285)	0
Accrued expenses	464,050	0	0	464,050
Operating lease obligations	1,708,003	0	0	1,708,003
Finance lease obligations	53,628	0	0	53,628
Loans payable NMTC, net of loan origination fees	2,358,288	0	0	2,358,288
Notes payable	0	4,790,866	0	4,790,866
Total Liabilities	4,679,775	4,795,151	(4,285)	9,470,641
Net Assets				
Without Donor Restrictions				
Available for programs and services	7,406,957	(133,391)	0	7,273,566
Allocated to affordable housing programs	4,292,590	(48,608)	0	4,243,982
	11,699,547	(181,999)	0	11,517,548
Donated capital	0	2,207,619	(2,207,619)	0
Total Net Assets Without Donor Restrictions	11,699,547	2,025,620	(2,207,619)	11,517,548
With Donor Restrictions	592,831	0	0	592,831
Total Net Assets	12,292,378	2,025,620	(2,207,619)	12,110,379
Total Liabilities and Net Assets	$16,972,153	$6,820,771	$(2,211,904)	$21,581,020

See accompanying independent auditor’s report on consolidating information.

GREATER CLEVELAND HABITAT FOR HUMANITY, INC.,
GCHFH FUNDING COMPANY, LLC AND 2110 WEST 110TH, LLC

CONSOLIDATING STATEMENT OF ACTIVITIES –
WITHOUT DONOR RESTRICTIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

	GCHFH	Funding Company	2110 WEST 110TH, LLC	Eliminations	Total
Support and Revenues					
Contributions	$ 2,610,344	$ 0	$ 675,000	$ 0	$ 3,285,344
Grant funding	595,000	0	0	0	595,000
Home sales, net	1,112,000	0	0	0	1,112,000
ReStore sales activity					
Gross sales	2,848,124	0	0	0	2,848,124
Donated inventory	2,323,526	0	0	0	2,323,526
Less: Cost of sales	(2,551,823)	0	0	0	(2,551,823)
Other donated goods and services	0	0	400,000	0	400,000
Special events					
Gross revenue	141,152	0	0	0	141,152
Less: Direct expenses	(36,922)	0	0	0	(36,922)
Rental income	0	0	98,286	(15,342)	82,944
Investment income	183,315	223,223	0	0	406,538
Service fees and other income	348,533	0	39	0	348,572
	7,573,249	223,223	1,173,325	(15,342)	8,954,455
Net assets released from restrictions:					
Satisfaction of program restrictions	293,188	0	0	0	293,188
Total Reclassifications	293,188	0	0	0	293,188
Total Support and Revenues	7,866,437	223,223	1,173,325	(15,342)	9,247,643
Expenses					
Program services	6,991,526	0	0	(13,264)	6,978,262
General and administrative	377,431	6,589	118,877	(1,455)	501,442
Fundraising and development	431,077	0	0	(623)	430,454
Total Expenses	7,800,034	6,589	118,877	(15,342)	7,910,158
Change in Net Assets	66,403	216,634	1,054,448	0	1,337,485
Net Assets at Beginning of Year	11,699,547	(181,999)	0	0	11,517,548
Net Assets at End of Year	11,765,950	34,635	1,054,448	0	12,855,033
Net Assets Without Donor Restrictions Allocated to Affordable Housing Programs	(6,474,451)	0	0	0	(6,474,451)
Net Assets Without Donor Restrictions Available for Programs and Services	$ 5,291,499	$ 34,635	$ 1,054,448	$ 0	$ 6,380,582

See accompanying independent auditor’s report on consolidating information.

GREATER CLEVELAND HABITAT FOR HUMANITY, INC., GCHFH FUNDING COMPANY, LLC AND 2110 WEST 110TH, LLC

CONSOLIDATING STATEMENT OF ACTIVITIES – WITHOUT DONOR RESTRICTIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	GCHFH	Funding Company	Eliminations	Total
Support and Revenues				
Contributions	$ 2,201,868	$ 0	$ 0	$ 2,201,868
Grants and ERC funding	273,861	0	0	273,861
Home sales, net	2,024,000	0	0	2,024,000
ReStore sales activity				
Gross sales	2,699,527	0	0	2,699,527
Donated inventory	2,233,167	0	0	2,233,167
Less: Cost of sales	(2,641,454)	0	0	(2,641,454)
Contribution of assets, net of liabilities, from asset transfer agreement with Lorain County HFH	2,168,974	0	0	2,168,974
Special events				
Gross revenue	208,307	0	0	208,307
Less: Direct expenses	(38,242)	0	0	(38,242)
Investment loss	(385,370)	(397,617)	0	(782,987)
Service fees and other income	158,383	0	0	158,383
	8,903,021	(397,617)	0	8,505,404
Net assets released from restrictions:				
Satisfaction of program restrictions	519,136	0	0	519,136
Total Reclassifications	519,136	0	0	519,136
Total Support and Revenues	9,422,157	(397,617)	0	9,024,540
Expenses				
Program services	7,345,213	0	0	7,345,213
General and administrative	305,134	1,268	0	306,402
Fundraising and development	382,313	0	0	382,313
Total Expenses	8,032,660	1,268	0	8,033,928
Change in Net Assets	1,389,497	(398,885)	0	990,612
Net Assets at Beginning of Year	10,310,050	216,886	0	10,526,936
Net Assets at End of Year	11,699,547	(181,999)	0	11,517,548
Net Assets Without Donor Restrictions Allocated to Affordable Housing Programs	(4,243,982)	0	0	(4,243,982)
Net Assets Without Donor Restrictions Available for Programs and Services	$ 7,455,565	$ (181,999)	$ 0	$ 7,273,566

See accompanying independent auditor’s report on consolidating information.

GREATER CLEVELAND HABITAT FOR HUMANITY, INC., GCHFH FUNDING COMPANY, LLC AND 2110 WEST 110TH, LLC

CONSOLIDATING STATEMENT OF ACTIVITIES – WITH DONOR RESTRICTIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

	GCHFH	Funding Company	2110 WEST 110TH, LLC	Eliminations	Total
Support and Revenues					
Contributions	$ 313,136	$ 0	$ 0	$ 0	$ 313,136
	313,136	0	0	0	313,136
Net assets released from restrictions:					
Satisfaction of program restrictions	(293,188)	0	0	0	(293,188)
Total Reclassifications	(293,188)	0	0	0	(293,188)
Total Support and Revenues	19,948	0	0	0	19,948
Change in Net Assets	19,948	0	0	0	19,948
Net Assets at Beginning of Year	592,831	0	0	0	592,831
Net Assets at End of Year	$ 612,779	$ 0	$ 0	$ 0	$ 612,779

See accompanying independent auditor's report on consolidating information.

GREATER CLEVELAND HABITAT FOR HUMANITY, INC., GCHFH FUNDING COMPANY, LLC AND 2110 WEST 110TH, LLC

CONSOLIDATING STATEMENT OF ACTIVITIES – WITH DONOR RESTRICTIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	GCHFH	Funding Company	Eliminations	Total
Support and Revenues				
Contributions	$ 75,968	$ 0	$ 0	$ 75,968
	75,968	0	0	75,968
Net assets released from restrictions:				
Satisfaction of program restrictions	(519,136)	0	0	(519,136)
Total Reclassifications	(519,136)	0	0	(519,136)
Total Support and Revenues	(443,168)	0	0	(443,168)
Change in Net Assets	(443,168)	0	0	(443,168)
Net Assets at Beginning of Year	1,035,999	0	0	1,035,999
Net Assets at End of Year	$ 592,831	$ 0	$ 0	$ 592,831

See accompanying independent auditor's report on consolidating information.