

May 8, 2026

To the Board of Directors of
Habitat for Humanity Clark & Floyd Indiana, Inc.

In planning and performing our audit of the financial statements of Habitat for Humanity Clark & Floyd Indiana, Inc. as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered Habitat for Humanity Clark & Floyd Indiana, Inc.'s system of 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. We noted no deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in Habitat for Humanity Clark & Floyd Indiana, Inc.'s internal control to be significant deficiencies:

During work performed on net asset balances, we noted that several prior year audit adjustments were not posted to the Organization's records which resulted in net assets not rolling forward correctly. We recommend posting all audit adjustments to the Organization's records and reconciling internal financial statements to the audited financial statements as part of the year-end closing process.

During work performed, we noted certain year-end balances were not reconciled to supporting detail tracked by the Organization. Misstatements of mortgages receivable, prepaid expenses, payroll liabilities, and escrow payables were noted as a result. We recommend modifying the closing process to include a review of all ending balances by an appropriate member of the board or management after all closing entries are posted and accounts are reconciled. When possible, the reconciliation responsibilities should be segregated from posting year-end adjustments.

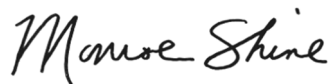
During our audit we became aware of matters that offer opportunities for strengthening internal control or addressing operational efficiency. We have already discussed these comments and recommendations with Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

During work performed on in-kind donations of services, we noted that in-kind services donated by an attorney were not recorded. We recommend that all in-kind activity is tracked and recorded throughout the year to ensure that it is properly reflected in the accounting records.

During work performed on accounts receivable, we noted that several customers had credit balances in addition to old balances in the account. We recommend that these accounts be removed and correctly categorized to ensure proper recording.

During work performed on accounts payable, we noted that several vendors had debit balances in addition to old balances in the account. We recommend that these accounts be removed and correctly categorized to ensure proper recording.

This communication is intended solely for the information and use of management the Board of Directors, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Monroe Shine". The signature is written in a cursive, flowing style.

Monroe Shine & Co., Inc.
Louisville, Kentucky
May 8, 2026