SNOW BELT HOUSING COMPANY, INC.
AND SUBSIDIARIES

Consolidated Financial Statements
and Supplementary Information

September 30, 2025

(With Independent Auditors' Report Thereon)

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES

Table of Contents

	Page
Independent Auditors' Report	1 - 3
Consolidated Financial Statements:	
Consolidated Statement of Financial Position	4 - 5
Consolidated Statement of Activities	6
Consolidated Statement of Functional Expenses	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9 - 23
Schedules:	
Schedule 1 - Consolidating Statement of Financial Position	24 - 25
Schedule 2 - Consolidating Statement of Activities	26
Schedule 3 - Statement of Rental Loss	27
Schedule 4 - New York State Housing Agency Project #87-W-0015 - Statement of Revenue and Expenditures	28
Schedule 5 - New York State Housing Agency Project SHARS ID #20000073 - Statement of Revenue and Expenditures	29
Schedule 6 - New York State Housing Agency SHARS ID #20173013 - Statement of Revenue and Expenditures	30
Certification of Project Owner - Project #87-W-0015	31
Certification of Project Owner - SHARS ID #20000073	32
Certification of Project Owner - SHARS ID #20173013	33
Certification by Management	34

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
Table of Contents, Continued

	Page
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	35 - 36
Schedule of Findings and Questioned Costs	37
Status of Prior Year Audit Findings	38

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EFPR GROUP, CPAs PLLC
Certified Public Accountants

6390 Main Street, Suite 200
Williamsville, New York 14221

P 716.634.0700
TF 800.546.7556
W EFPRadvisory.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Snow Belt Housing Company, Inc.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements Snow Belt Housing Company, Inc. and Subsidiaries (the Company) which comprise the consolidated statement of financial position as of September 30, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Snow Belt Housing Company, Inc. and Subsidiaries as of September 30, 2025, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 the Company ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 the Company'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 the Company'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.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Company's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated January 21, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited consolidated financial statements which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental information in Schedules 1 though 6 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 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 other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 26, 2026 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Company's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
January 26, 2026

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
Consolidated Statement of Financial Position
September 30, 2025
with comparative totals for 2024

Assets	2025	2024
Current assets:		
Cash and cash equivalents - general operating	$ 114,379	120,940
Receivables:		
Rents	26,227	31,898
Grants	97,180	118,641
Current portion of lease	282	915
Other	145,392	155,572
Total receivables	269,081	307,026
Prepaid expenses	2,463	2,463
Total current assets	385,923	430,429
Loan receivable - related parties, less allowance of $6,479,400 in 2025 and 2024	-	-
Restricted deposits:		
Tenants' security deposits	14,907	17,218
Operating reserve	26,127	21,091
Reserve for replacements	99,961	119,092
Rural Business Enterprise Grant	10,928	10,010
Total restricted deposits	151,923	167,411
Property and equipment, at cost:		
Buildings and improvements	4,375,340	4,443,603
Furniture and equipment	189,432	130,187
	4,564,772	4,573,790
Accumulated depreciation	(2,387,448)	(2,296,678)
Net property and equipment	2,177,324	2,277,112
Other asset - lease receivable, excluding current portion	-	283
Total assets	$ 2,715,170	2,875,235

(Continued)

See accompanying notes to consolidated financial statements.

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
Consolidated Statement of Financial Position, Continued

Liabilities and Net Assets	2025	2024
Current liabilities:		
Accounts payable and accrued expenses	$ 47,204	28,442
Prepaid rents	3,065	10,647
Deferred revenue	28,207	91,895
Current installments of mortgages and notes payable	-	12,186
Total current liabilities	78,476	143,170
Tenants' security deposits	14,907	17,218
Mortgages and notes payable, excluding current installments	1,514,141	1,517,156
Total liabilities	1,607,524	1,677,544
Net assets without donor restrictions	1,107,646	1,197,691
Contingencies (note 14)		
Total liabilities and net assets	$ 2,715,170	2,875,235

See accompanying notes to consolidated financial statements.

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
Consolidated Statement of Activities
Year ended September 30, 2025
with comparative totals for 2024

	2025	2024
Revenue:		
Grant income:		
Federal	$ 602,502	513,324
State	235,475	160,678
Total grant income	837,977	674,002
Rental income	214,076	195,641
Contract services	64,241	57,506
Management fees	279,764	274,494
Interest income	41	58
Gain on sale of building	37,580	-
Miscellaneous	34,273	9,702
Total revenue	1,467,952	1,211,403
Expenses:		
Program services:		
Rural preservation	145,716	138,832
Home repair	526,253	243,094
Homeless prevention	178,599	294,893
Affordable tenancy	237,096	245,553
First-time homebuyer	34,379	30,474
Total program services	1,122,043	952,846
Management and general	435,954	278,145
Total expenses	1,557,997	1,230,991
Change in net assets without donor restrictions	(90,045)	(19,588)
Net assets without donor restrictions at beginning of year	1,197,691	1,217,279
Net assets without donor restrictions at end of year	$ 1,107,646	1,197,691

See accompanying notes to consolidated financial statements.

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
Consolidated Statement of Functional Expenses
Year ended September 30, 2025
with comparative totals for 2024

	Program Services							Total	
	Rural preservation	Home repair	Homeless prevention	Affordable tenancy	First-time homebuyer	Total program services	Management and general	2025	2024
Expenses:									
Salaries	$ 67,438	90,366	19,430	-	19,010	196,244	235,356	431,600	360,669
Payroll taxes and employee benefits	17,857	14,946	2,109	-	3,423	38,335	57,055	95,390	90,101
Total salaries and related benefits	85,295	105,312	21,539	-	22,433	234,579	292,411	526,990	450,770
Grant expense	1,000	382,648	153,583	-	-	537,231	-	537,231	366,106
Telephone	920	236	403	353	542	2,454	2,752	5,206	4,594
Office supplies	1,230	918	-	270	444	2,862	2,838	5,700	5,040
Printing, postage and advertising	355	468	761	84	191	1,859	137	1,996	10,802
Utilities	793	235	-	27,143	496	28,667	2,428	31,095	34,035
Professional fees	15,280	52	-	1,472	53	16,857	515	17,372	25,892
Insurance	862	194	-	24,561	412	26,029	3,118	29,147	28,585
Repairs and maintenance	6,725	4,852	-	50,678	2,760	65,015	3,608	68,623	73,038
Real estate taxes	-	-	-	2,870	-	2,870	-	2,870	3,750
Interest	-	-	-	2,205	-	2,205	-	2,205	3,312
Memberships and dues	3,837	46	-	60	64	4,007	-	4,007	6,434
Conferences and training	4,580	31	-	43	97	4,751	478	5,229	1,851
Travel	1,664	1,103	2,264	2,388	3,111	10,530	12,292	22,822	21,259
Contract services	16,474	-	-	-	3,744	20,218	28,369	48,587	-
Bad debts	-	-	-	16,348	-	16,348	63,097	79,445	46,901
Flood relief expense	-	30,141	-	-	-	30,141	-	30,141	-
Depreciation	-	-	-	108,621	-	108,621	13,237	121,858	128,421
Miscellaneous	6,701	17	49	-	32	6,799	10,674	17,473	20,201
Total expenses	$ 145,716	526,253	178,599	237,096	34,379	1,122,043	435,954	1,557,997	1,230,991

See accompanying notes to consolidated financial statements.

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
Consolidated Statement of Cash Flows
Year ended September 30, 2025
with comparative totals for 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets without donor restrictions	$ (90,045)	(19,588)
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by (used in) operating activities:		
Depreciation	121,858	128,421
Gain on sale of building	(37,580)	-
Bad debts	79,445	46,901
Changes in:		
Receivables	(41,217)	(126,641)
Accounts payable and accrued expenses	18,762	7,424
Prepaid rents	(7,582)	2,613
Deferred revenue	(63,688)	32,712
Net cash provided by (used in) operating activities	(20,047)	71,842
Cash flows from investing activities:		
Additions to property and equipment	(59,244)	(33,741)
Proceeds from sale of property and equipment	74,754	-
Net cash provided by (used in) investing activities	15,510	(33,741)
Cash flows from financing activities - repayment of mortgages and notes payable	(15,201)	(13,025)
Net change in cash and cash equivalents	(19,738)	25,076
Cash and cash equivalents at beginning of year	271,133	246,057
Cash and cash equivalents at end of year	$ 251,395	271,133
Supplemental schedule of cash flow information:		
Cash paid during the year for interest	$ 2,205	3,312
Disposal of property and equipment through sale	$ 68,262	-
Classification of cash and cash equivalents:		
General operating	114,379	120,940
Operating reserve	26,127	21,091
Reserve for replacements	99,961	119,092
Rural Business Enterprise Grant	10,928	10,010
	$ 251,395	271,133

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

Snow Belt Housing Company, Inc. and Subsidiaries (collectively referred to as the Company) is composed of Snow Belt Housing Company, Inc. and its wholly-owned subsidiaries. Snow Belt Housing Company, Inc.'s objectives are to provide relief for the poor, distressed or underprivileged, lessen the burdens of governments, lessen neighborhood tensions, combat community deterioration, and aide the community and geographical area by attracting new industry or encouraging the development or retention of existing industry, all in the Lewis County area. In carrying out this activity, the Company and its subsidiaries provide grant assistance to individuals and organizations for rehabilitation of existing homes and for purchase of new homes, low income apartment rentals throughout Lewis County, and related grant programs for local governments within Lewis County.

The Company owns and operates the following wholly-owned subsidiaries:

- Mill Creek Apartments, LLC (Mill Creek)
- Snow Belt Eight Star Redevelopment Corporation (Redevelopment)
- North Country Housing Development Fund Company, Inc. (North Country)
- R2D2 Housing Development Fund Company, Inc. (R2D2)

(b) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Mill Creek, Redevelopment, North Country and R2D2. Redevelopment, North Country and R2D2 had no financial activity in 2025 and 2024. All significant intercompany accounts and transactions have been eliminated in consolidation.

(c) Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(d) Basis of Presentation

The Company reports information regarding its consolidated financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represents resources available for the general support of the Company's activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Company. The Company had only net assets without donor restrictions during the years ended September 30, 2025 and 2024.

(1) Summary of Significant Accounting Policies, Continued

(e) Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(f) Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(g) Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalent accounts in financial institutions. The Company maintains cash and cash equivalents at financial institutions which periodically may exceed federally insured limits. At September 30, 2025 and 2024, the Company had $62,625 and $55,287, respectively, in excess of the federally insured limits.

(h) Receivables and Bad Debts

The Company's accounts receivable are primarily derived from grants, rental income and management fees. At each consolidated statement of financial position date, the Company recognizes an expected allowance for credit losses. This estimate is calculated on a pooled basis where similar characteristics exist and individually when there are no shared characteristics.

The allowance method is derived from a review of the Company's historical losses based on an aging of receivables. Historical losses have been inconsistent. This estimate is adjusted for management's assessment of current conditions, forecasts of future events, and other factors deemed relevant risk factors, such as local and national economic indicators. As a result, management has determined that the allowance for credit losses is adequate.

The Company writes off receivables when there is information that indicates there is no possibility of collection. If any recoveries are made from any accounts receivable previously written off, they will be recognized in revenue. The total amount of write-offs was $79,445 and $46,901 for the years ended September 30, 2025 and 2024, respectively.

(1) Summary of Significant Accounting Policies, Continued

(i) Capitalization and Depreciation

Property and equipment are recorded at cost or fair market value at the date of the gift in the case of donated property and equipment. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property and equipment, the appropriate property and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the consolidated statement of activities.

(j) Long-Lived Assets

The Company reviews its property for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. For assets held and used, if the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts, an impairment loss has occurred. The amount of the impairment loss is equal to the asset's carrying value over its estimated fair value. At September 30, 2025 and 2024, no impairment loss has been recognized by the Company.

(k) Deferred Revenue and Revenue Recognition

Grant awards accounted for as exchange transactions are recorded as revenue when expenditures have been incurred in compliance with the grant restrictions. Amounts unspent are recorded in the consolidated statement of financial position as deferred revenue.

(l) Rental Income

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Company and the tenants of the properties are short-term operating leases.

(m) Contracts with Customers

Under Accounting Standards Update (ASU) No. 2014-09 (Topic 606) - Revenue from Contracts with Customers, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for these goods or services. The Company utilizes a five-step framework as identified in ASU No. 2014-09. The primary sources of revenue from contracts with customers for the Company are as follows:

Management fees and contract services income consists of a single performance obligation and are recognized over time using the straight line method on a monthly basis as the service is performed.

(1) Summary of Significant Accounting Policies, Continued

(m) Contracts with Customers, Continued

Factors that could impact the nature, amount, timing and uncertainty of revenue or cash flow of the Company include vacancies and staffing. Revenue from contracts with customers received in advance are deferred and recognized once earned. Revenue from contracts with customers are generally nonrefundable, billed monthly and payment is typically due within 30 days of the invoice date.

Billings, cash collections and timing of revenue recognition can result in contract assets and liabilities on the consolidated statement of financial position. The Company can receive payments from customers before revenue is recognized, resulting in deferred revenue. These amounts are liquidated when revenue is recognized.

Receivables from contracts with customers were as follows at September 30:

		2025	2024	2023
Receivables	$	29,970	40,151	30,858

(n) Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give to the Company. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

(o) Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time and effort; other expenses are allocated based on direct usage and applicability.

(p) Subsequent Events

The Company has evaluated subsequent events through the date of the report which is the date the consolidated financial statements were available to be issued.

(q) Income Taxes

The Company is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code); therefore, no provision for income taxes is reflected in the consolidated financial statements. The Company has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Company presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Company has taken no uncertain tax positions that require adjustment in its consolidated financial statements. U.S. Forms 990 filed by the Company are subject to examination by taxing authorities.

(1) Summary of Significant Accounting Policies, Continued

(q) Income Taxes, Continued

Redevelopment, North Country and R2D2, whose accounts are included in these consolidated financial statements, are for profit corporations and are liable for Federal and New York State income taxes.

(2) Liquidity

The Company has $383,460 of financial assets available within one year of the consolidated statement of financial position date to meet cash needs for general expenditures, consisting of $114,379 of cash and cash equivalents and $269,081 of receivables. None of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditure within one year of the 2025 consolidated statement of financial position.

(3) Loans Receivable - Related Parties

Loans receivable - related parties at September 30, 2025 and 2024 consist of the following:

	2025	2024
The Company has entered into an agreement under the Rural Area Revitalization Program (RARP) to receive a $1,200,000 grant to preserve two hundred fifty-four affordable homes across Franklin, Jefferson and St. Lawrence counties. These funds are restricted for a seven year regulatory period, beginning on August 2015, during which time the properties utilizing these funds must be operated as low income housing as specified under the RARP. The Company received these funds during the year ended September 30, 2013 and immediately loaned these funds to a related entity, North Country Rural Preservation Associates L.P., for a period of 30 years at a 0% interest rate in accordance with the terms of the RARP. It is the Company's intent to forgive the balance of the loan at maturity; however, until such time as the loan is forgiven, the Company retains the right to collect the funds in the event of default.	$ 1,200,000	1,200,000

(3) Loans Receivable - Related Parties, Continued

	2025	2024
The Company has entered into an agreement under Affordable Housing Program (AHP) to receive a $1,905,000 grant to preserve two hundred fifty-four affordable homes across Franklin, Jefferson and St. Lawrence counties. These funds are restricted for a fifteen year regulatory period, beginning on the date of issuance of the property's certificate of occupancy, during which time the properties utilizing these funds must be operated as low income housing as specified under the AHP. The Company received these funds during the year ended September 30, 2013 and immediately loaned these funds to a related entity, North Country Rural Preservation Associates L.P., for a period of 30 years at a 0% interest rate in accordance with the terms of the AHP. It is the Company's intent to forgive the balance of the loan at maturity; however, until such time as the loan is forgiven, the Company retains the right to collect the funds in the event of default.	$ 1,905,000	1,905,000
The Company has entered into agreements with the New York State Energy Research and Development Authority (NYSERDA) to receive a $174,400 grant to preserve seven affordable housing properties located in New York State. The Company received these funds during the year ended September 30, 2014 and immediately loaned these funds to a related entity, New York Rural Preservation Associates L.P., for a period of 32 years at a 0% interest rate in accordance with the terms of the NYSERDA agreements. It is the Company's intent to forgive the balance of the loan at maturity; however, until such time as the loan is forgiven, the Company retains the right to collect the funds in the event of default.	174,400	174,400

(3) Loans Receivable - Related Parties, Continued

	2025	2024
The Company has entered into an agreement under AHP to receive a $3,200,000 grant to preserve seven affordable housing properties located in New York State. These funds are restricted for a fifteen year regulatory period, beginning on the date of issuance of the property's certificate of occupancy, during which time the properties utilizing these funds must be operated as low income housing as specified under the AHP. The Company received these funds during the year ended September 30, 2014 and immediately loaned these funds to a related entity, New York Rural Preservation Associates L.P., for a period of 32 years at a 0% interest rate in accordance with the terms of the AHP. It is the Company's intent to forgive the balance of the loan at maturity; however, until such time as the loan is forgiven, the Company retains the right to collect the funds in the event of default.	$ 3,200,000	3,200,000
Total	6,479,400	6,479,400
Less allowance	(6,479,400)	(6,479,400)
	$ -	-

(4) Tenants' Security Deposits

Tenants' security deposits are held in a separate bank account in the name of the individuals. Interest earned on such deposits is credited to the individual tenants.

(5) Operating Reserve

The equity and regulatory agreement with the New York State Housing Trust Fund Corporation (HTFC) requires that the Company establish and maintain an operating reserve account for operating deficits. The balance of operating reserve accounts at September 30, 2025 and 2024 is as follows:

	2025	2024
Pinecrest Manor	$ 7,757	6,119
Domingo House	8,797	7,897
Sunburst Townhouse	3,574	2,653
Mill Creek Apartments	5,999	4,422
	$ 26,127	21,091

(5) Operating Reserve, Continued

In accordance with the regulatory agreement that Pinecrest Manor has with HTFC, the operating reserve is to be funded annually. Withdrawals from the operating reserve account require approval by HTFC. As of September 30, 2025, the operating reserve is underfunded by $150 (see finding 2025-001). A summary of the activity in the operating reserve for the years ended September 30, 2025 and 2024 is as follows:

Balance at September 30, 2023	$ 6,118
Interest	1
Balance at September 30, 2024	6,119
Annual deposit	1,636
Interest	2
Balance at September 30, 2025	$ 7,757

In accordance with the regulatory agreement that Domingo House has with HTFC, the operating reserve is to be funded annually. Withdrawals from the operating reserve account require approval by HTFC. As of September 30, 2025, the operating reserve has been adequately funded. A summary of the activity in the operating reserve for the years ended September 30, 2025 and 2024 is as follows:

Balance at September 30, 2023	$ 7,895
Interest	2
Balance at September 30, 2024	7,897
Annual deposit	897
Interest	3
Balance at September 30, 2025	$ 8,797

In accordance with the regulatory agreement that Sunburst Townhouse has with HTFC, the operating is to be funded annually. Withdrawals from the operating reserve account require approval by HTFC. As of September 30, 2025, the operating reserve has been adequately funded. A summary of the activity in the operating reserve for the years ended September 30, 2025 and 2024 is as follows:

Balance at September 30, 2023	$ 2,652
Interest	1
Balance at September 30, 2024	2,653
Annual deposit	920
Interest	1
Balance at September 30, 2025	$ 3,574

(5) Operating Reserve, Continued

In accordance with the regulatory agreement that Mill Creek has with HTFC, the operating reserve is to be funded annually. Withdrawals from the operating reserve account require approval by HTFC. As of September 30, 2025, the operating reserve has been adequately funded. A summary of the activity in the operating reserve for the years ended September 30, 2025 and 2024 is as follows:

Balance at September 30, 2023	$ 10,078
Annual deposit	1,576
Interest	1
Approved withdrawals	(7,233)
Balance at September 30, 2024	4,422
Annual deposit	1,576
Interest	1
Balance at September 30, 2025	$ 5,999

(6) Reserve for Replacements

Reserve for replacements accounts have been established to be used for capital expenditures. The balance of the reserve for replacements accounts at September 30, 2025 and 2024 is as follows:

	2025	2024
Pinecrest Manor	$ 11,654	10,452
Domingo House	11,303	10,276
Sunburst Townhouse	4,895	3,895
Mill Creek Apartments	72,109	94,469
	$ 99,961	119,092

In accordance with the regulatory agreement that Pinecrest Manor has with HTFC, the reserve for replacements is to be funded $1,200 annually. As of September 30, 2025, the reserve for replacements was adequately funded. Withdrawals from the reserve for replacements account require approval by HTFC. A summary of the activity in the reserve for replacements account for the years ended September 30, 2025 and 2024 is as follows:

Balance at September 30, 2023	$ 9,250
Annual deposit	1,200
Interest	2
Balance at September 30, 2024	10,452
Annual deposit	1,200
Interest	2
Balance at September 30, 2025	$ 11,654

(6) Reserve for Replacements, Continued

In accordance with the regulatory agreement that Domingo House has with HTFC, the reserve for replacements is to be funded $1,023 annually. As of September 30, 2025, the reserve for replacements was adequately funded. Withdrawals from the reserve for replacements account require approval by HTFC. A summary of the activity in the reserve for replacements account for the years ended September 30, 2025 and 2024 is as follows:

Balance at September 30, 2023	$ 9,250
Annual deposit	1,023
Interest	3
Balance at September 30, 2024	10,276
Annual deposit	1,023
Interest	4
Balance at September 30, 2025	$ 11,303

In accordance with the regulatory agreement that Sunburst Townhouse has with HTFC, the reserve for replacements is to be funded $1,000 annually. As of September 30, 2025, the reserve for replacements was adequately funded. A summary of the activity in the reserve for replacements account for the years ended September 30, 2025 and 2024 is as follows:

Balance at September 30, 2023	$ 2,894
Annual deposit	1,000
Interest	1
Balance at September 30, 2024	3,895
Annual deposit	1,000
Balance at September 30, 2025	$ 4,895

In accordance with the regulatory agreement that Mill Creek has with HTFC, the reserve for replacements is to be funded $11,304 annually. As of September 30, 2025, the reserve for replacements was adequately funded. A summary of the activity in the reserve for replacements account for the years ended September 30, 2025 and 2024 is as follows:

Balance at September 30, 2023	$ 116,733
Annual deposit	11,304
Interest	32
Approved withdrawals	(33,600)
Balance at September 30, 2024	94,469
Annual deposit	11,304
Interest	22
Approved withdrawals	(33,686)
Balance at September 30, 2025	$ 72,109

(7) Lease Receivable

The Company entered into an agreement with Grand Slam Safety, LLC (Grand Slam) for the Company to purchase equipment in the amount of $22,000 for use at Grand Slam using RBEG funds. During 2016, the Company purchased additional equipment in the amount of $10,075. Under the agreement, Grand Slam will pay back a total of $10,691 at an interest rate of 3% with the balance of the funds expended forgiven under the terms of the agreement. During 2020, the Company purchased additional equipment in the amount of $12,756. Under the agreement, Grand Slam will pay back at an interest rate of 3% with the balance of the funds expended forgiven under the terms of the agreement. Grand Slam will make equal monthly payments to the Company in the amount of $208 for a period of five years at which time the equipment will become the property of Grand Slam. Early payoff is allowed but interest in the equipment will remain with the Company and USDA until the end of the useful life of the equipment. Payments in the amount of $916 and $992 were received in 2025 and 2024, respectively. Future minimum lease payments receivable as of September 30, 2025 amounted to $282.

(8) Investment in Partnerships

Entity	Affiliation	Percentage
North Country Rural Preservation Associates, L.P.	The Company is the sole member of Redevelopment, a co-general partner	.0051%
New York Rural Preservation Associates, L.P.	The Company is the sole member of Redevelopment, a co-general partner and R2D2	.00459%

These investments have been recorded under the equity method of accounting. The Company discontinues recording its share of losses in the partnerships once its investment in the partnerships is reduced to zero. We did not audit the 2024 financial statements of North Country Rural Preservation Associates, L.P. and New York Rural Preservation Associates, L.P. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, as it relates to these financial statements, is based solely on the reports of the other auditors. The financial position of each partnership as of December 31, 2024, and the results of operations for the year then ended are summarized as follows:

(8) Investment in Partnerships, Continued

	North Country Rural Preservation Associates, L.P.	New York Rural Preservation Associates, L.P.
Current assets	$ 418,099	455,416
Current liabilities	(1,373,339)	(748,434)
Working capital	(955,240)	(293,018)
Restricted deposits	803,949	1,276,813
Property and equipment, net	17,946,338	15,355,845
Long-term debt	(17,476,514)	(15,034,122)
Partners' equity	$ 318,533	1,305,518
Gross income	$ 2,941,876	2,198,856
Net loss	$ (590,564)	(655,889)

(9) Deferred Revenue

Deferred revenue amounted to $28,207 and $91,895 at September 30, 2025 and 2024, respectively. These amounts represent cash provided to the Company in advance of the period to be benefited in order to provide working capital for the operation of the various programs of the Company.

(10) Line-of-Credit

The Company has a line-of-credit with Community Bank at 4% interest. There is no outstanding balance on the line-of-credit at September 30, 2025 and 2024.

(11) Mortgages and Notes Payable

At September 30, 2025 and 2024, the Company was indebted under the following mortgages and notes payable:

	2025	2024
A non-interest mortgage note payable to HTFC began on August 25, 2011. The proceeds of the mortgage were used to provide permanent financing and are collateralized by property located at 5947 and 5475 Water Street in Lowville, New York. The entire principal balance is due and payable in full on August 25, 2061, the fiftieth anniversary of the date of execution of the mortgage note.	$ 1,134,304	1,134,304

(11) Mortgages and Notes Payable, Continued

	2025	2024
A non-interest mortgage note payable to HTFC began on May 27, 2003. The proceeds of the mortgage were used to provide permanent financing and are collateralized by property located at 7440-7442 South State Street in Lowville, New York. The entire principal balance is due and payable in full on May 27, 2043, the fortieth anniversary of the date of execution of the mortgage note.	$ 214,709	214,709
1% mortgage note payable to HTFC began on May 4, 2022. The proceeds were to provide permanent financing and are collateralized by property located at 2969 Cataract Street in Copenhagen, New York. The entire principal balance is due and payable in full on May 1, 2052, the thirtieth anniversary of the date of execution of the mortgage note. Interest is payable annually on the anniversary date of the mortgage note.	165,128	165,128
Variable interest ten-year commercial loan payable in the original amount of $50,000 began on March 8, 2016. The loan is payable in monthly installments through the year 2026, at which the entire unpaid interest and principal is due and payable in full. The loan is secured by a first lien security on all equipment, fixtures, inventory and accounts receivable of the Company. This loan has been paid fully as of September 30, 2025.	-	9,106
6% interest rate loan payable with Carthage Savings and Loan in the amount of $12,000. The loan is payable in monthly installments of $232 through the year 2024. On July 30, 2020, a loan amount of $25,000 was taken in addition to the original loan with an interest rate of 4.75%. The loan was reamortized at monthly installments of $648 through the year 2025, at which time the entire unpaid interest and principal is due and payable in full. This loan has been paid fully as of September 30, 2025.	-	6,095
Total mortgages and notes payable	1,514,141	1,529,342
Less current installments	-	(12,186)
Mortgage and notes payable, excluding current installments	$ 1,514,141	1,517,156

(12) Management Fees

The Company entered into management agreements with Croghan Housing Development Fund Company, Inc., Copenhagen Happy Acres Development Fund Company, Inc., Lyons Falls Housing Development Fund Company, Inc., South Lewis Housing Development Fund Company, Inc., and the Village of Lowville Housing Authority, wherein the Company will manage low-income housing projects for these organizations. The Company receives management fees based on the number of occupied units per month. In addition, program delivery services are charged back to the projects on a cost basis. For the years ended September 30, 2025 and 2024, management fees totaled $279,764 and $274,494, respectively.

(13) Retirement Plan

The Company provides a SIMPLE retirement plan whereby employees may elect to defer a portion of their salary into an individual retirement account. The Company provides up to a three percent contribution match. For the years ended September 30, 2025 and 2024, the Company had retirement expenses of $11,314 and $10,942, respectively.

(14) Contingencies

Under the terms of various grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such questioned costs could lead to reimbursement to the grantor agencies. Management believes that it would be able to provide support acceptable to the grantor and that any disallowances would not be material.

The Company has taken on certain obligations, including the $1,200,000 RARP grant, the $1,905,000 and $3,200,000 AHP grants, and the $174,400 NYSERDA grant, all of which are loaned out to related parties and all of which may result in a loss related to financing transactions with lending agencies. Conifer Realty, LLC will indemnify and hold the Company harmless from any and all liability, loss, damages, interest, judgments and liens incurred by the Company. However, in the event that Conifer Realty, LLC is unable to indemnify the Company, the Company could be liable for $6,479,400 as of September 30, 2025.

The Company received a HOME Community Housing Development Organization grant approved by the North Country HOME Consortium Administrative Board in the amount of $153,413 in connection with Pinecrest Manor housing project. The HOME-assisted units in the project are subject to ongoing compliance requirements, as specified in the HOME regulations for ten years from the date of completion.

(14) Contingencies, Continued

The Company received a loan in the amount of $239,559 from HTFC in connection with the Sunburst Townhouse housing project. Repayment of the loan will only be due in the event of noncompliance with the regulatory agreement during the regulatory period for fifteen years, maturing in 2032. As it is intention of the Company to comply with the requirements, no repayments are expected to be due on the loan.

Schedule 1

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
Consolidating Statement of Financial Position
September 30, 2025

Assets	Snow Belt Housing Company, Inc. Snow Belt Housing	Snow Belt Housing Company, Inc. Snow Belt Rentals	Mill Creek	Eliminations	Total
Current assets:					
Cash and equivalents - general operating	$ 89,432	8,332	16,615	-	114,379
Receivables:					
Rents	-	9,894	16,333	-	26,227
Grants	97,180	-	-	-	97,180
Current portion of lease	282	-	-	-	282
Other	145,392	-	-	-	145,392
Due from (to) subsidiaries	(42,887)	41,634	1,253	-	-
Total receivables	199,967	51,528	17,586	-	269,081
Prepaid expenses	2,463	-	-	-	2,463
Total current assets	291,862	59,860	34,201	-	385,923
Restricted deposits:					
Tenants' security deposits	-	9,516	5,391	-	14,907
Operating reserve	-	20,128	5,999	-	26,127
Reserve for replacements	-	27,852	72,109	-	99,961
Rural Business Enterprise Grant	10,928	-	-	-	10,928
Total restricted deposits	10,928	57,496	83,499	-	151,923
Property and equipment, at cost:					
Buildings and improvements	242,736	1,699,096	2,433,508	-	4,375,340
Furniture and equipment	77,231	63,526	48,675	-	189,432
	319,967	1,762,622	2,482,183	-	4,564,772
Accumulated depreciation	(184,242)	(1,287,558)	(915,648)	-	(2,387,448)
Net property and equipment	135,725	475,064	1,566,535	-	2,177,324
Total assets	$ 438,515	592,420	1,684,235	-	2,715,170

(Continued)

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
Consolidating Statement of Financial Position, Continued

Liabilities and Net Assets	Snow Belt Housing Company, Inc. Snow Belt Housing	Snow Belt Housing Company, Inc. Snow Belt Rentals	Mill Creek	Eliminations	Total
Current liabilities:					
Accounts payable and accrued expenses	$ 45,336	-	1,868	-	47,204
Prepaid rents	-	-	3,065	-	3,065
Deferred revenue	28,207	-	-	-	28,207
Total current liabilities	73,543	-	4,933	-	78,476
Tenants' security deposits	-	9,516	5,391	-	14,907
Mortgages and notes payable, excluding current installments	-	379,837	1,134,304	-	1,514,141
Total liabilities	73,543	389,353	1,144,628	-	1,607,524
Net assets without donor restrictions	364,972	203,067	539,607	-	1,107,646
Contingencies (note 15)					
Total liabilities and net assets	$ 438,515	592,420	1,684,235	-	2,715,170

Schedule 2

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
Consolidating Statement of Activities
Year ended September 30, 2025

	Snow Belt Housing Company, Inc.				
	Snow Belt Housing	Snow Belt Rentals	Mill Creek	Eliminations	Total
Revenue:					
Grant income:					
Federal	$ 602,502	-	-	-	602,502
State	235,475	-	-	-	235,475
Total grant income	837,977	-	-	-	837,977
Rental income	-	141,178	72,898	-	214,076
Contract services	64,241	-	-	-	64,241
Management fees	318,403	-	-	(38,639)	279,764
Interest income	8	7	26	-	41
Forgiveness of debt	-	275,822	54,348	(330,170)	-
Gain on sale of building	-	37,580	-	-	37,580
Miscellaneous	32,125	2,148	-	-	34,273
Total revenue	1,252,754	456,735	127,272	(368,809)	1,467,952
Expenses:					
Salaries	431,600	24,403	-	(24,403)	431,600
Payroll taxes and employee benefits	95,390	6,466	-	(6,466)	95,390
Total salaries and related benefits	526,990	30,869	-	(30,869)	526,990
Grant expense	537,231	-	-	-	537,231
Telephone	4,853	353	-	-	5,206
Office supplies	5,430	270	-	-	5,700
Printing, postage and advertising	1,912	84	-	-	1,996
Utilities	3,952	22,755	4,388	-	31,095
Management fees	-	-	7,770	(7,770)	-
Professional fees	15,900	62	1,410	-	17,372
Insurance	4,586	14,994	9,567	-	29,147
Repairs and maintenance	17,945	39,719	10,959	-	68,623
Real estate taxes	-	1,701	1,169	-	2,870
Interest	-	2,205	-	-	2,205
Membership and dues	3,947	60	-	-	4,007
Conferences and training	5,186	43	-	-	5,229
Travel	20,434	2,388	-	-	22,822
Contract services	48,587	-	-	-	48,587
Bad debt	393,267	15,531	817	(330,170)	79,445
Flood relief expense	30,141	-	-	-	30,141
Depreciation	13,237	40,133	68,488	-	121,858
Miscellaneous	17,473	-	-	-	17,473
Total expenses	1,651,071	171,167	104,568	(368,809)	1,557,997
Change in net assets without donor restrictions	(398,317)	285,568	22,704	-	(90,045)
Net assets (deficit) without donor restrictions at beginning of year	763,289	(82,501)	516,903	-	1,197,691
Net assets without donor restrictions at end of year	$ 364,972	203,067	539,607	-	1,107,646

Schedule 3

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
Statement of Rental Loss
Years ended September 30, 2025 and 2024

	2025	2024
Revenue:		
Rental income	$ 141,178	137,615
Interest income	7	10
Forgiveness of debt	275,822	-
Gain on sale of building	37,580	-
Miscellaneous	2,148	-
Total revenue	456,735	137,625
Expenses:		
Salaries and related benefits	30,869	37,049
Telephone	353	313
Office supplies	270	333
Printing, postage and advertising	84	128
Utilities	22,755	25,237
Professional fees	62	16
Insurance	14,994	15,552
Repairs and maintenance	39,719	31,428
Real estate taxes	1,701	2,545
Interest	2,205	3,312
Membership and dues	60	111
Conference and training	43	24
Travel	2,388	2,043
Bad debt	15,531	10,553
Miscellaneous	-	23
Total expenses	131,034	128,667
Net rental income before depreciation	325,701	8,958
Depreciation	(40,133)	(51,132)
Change in net assets without donor restrictions	$ 285,568	(42,174)

Schedule 4

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
New York State Housing Agency Project #87-W-0015
Statement of Revenue and Expenditures
Year ended September 30, 2025

Revenue:		
Rental income		$ 28,158
Interest income		1
Miscellaneous		125
Total revenue		28,284
Project expenses:		
Utilities	$ 8,707	
Insurance	2,933	
Repairs and maintenance	6,901	
Interest	1,651	
Depreciation	7,806	(27,998)
Net income		$ 286

Schedule 5

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
New York State Housing Agency Project SHARS ID #20000073
Statement of Revenue and Expenditures
Year ended September 30, 2025

Revenue:		
Rental income		$ 15,600
Interest income		2
Total revenue		15,602
Project expenses:		
Utilities	$ 1,019	
Insurance	2,192	
Repairs and maintenance	3,300	
Depreciation	7,206	(13,717)
Net income		$ 1,885

Schedule 6

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
New York State Housing Agency Project SHARS ID #20173013
Statement of Revenue and Expenditures
Year ended September 30, 2025

Revenue:		
Rental income		$ 18,389
Interest income		1
Total revenue		18,390
Project expenses:		
Utilities	$ 1,834	
Insurance	1,461	
Repairs and maintenance	5,601	
Depreciation	2,491	(11,387)
Net income		$ 7,003

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
Project #87-W-0015
Certification of Project Owner
September 30, 2025

The undersigned hereby certifies that this statement accurately reflects the revenue and expenditures for the project, that insurance policies are in force and name the Housing Trust Fund Corporation and the State of New York as additional insured, all tax bills, mortgage and interest payments have been currently paid, and the occupancy of the project is in conformance with the terms and conditions of the award.

_____

Robert Grunert-Loud
Executive Director

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
SHARS ID #20000073
Certification of Project Owner
September 30, 2025

The undersigned hereby certifies that this statement accurately reflects the revenue and expenditures for the project, that insurance policies are in force and name the Housing Trust Fund Corporation and the State of New York as additional insured, all tax bills, mortgage and interest payments have been currently paid, and the occupancy of the project is in conformance with the terms and conditions of the award.

Robert Grunert-Loud
Executive Director

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES
SHARS ID #20173013
Certification of Project Owner
September 30, 2025

The undersigned hereby certifies that this statement accurately reflects the revenue and expenditures for the project, that insurance policies are in force and name the Housing Trust Fund Corporation and the State of New York as additional insured, all tax bills, mortgage and interest payments have been currently paid, and the occupancy of the project is in conformance with the terms and conditions of the award.

Robert Grunert-Loud
Executive Director

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDIARIES

Certification of Management

September 30, 2025

In connection with Snow Belt's application for certification as a Community Housing Development Organization (CHDO), I have reviewed our financial policies, practices, and standards with our Auditor, and am of the opinion that our financial accountability standards are in compliance with 2 CFR 200.302 as well as 2 CFR 200.303.

Robert Grunert-Loud
Executive Director

EFPR GROUP, CPAs PLLC
Certified Public Accountants

6390 Main Street, Suite 200
Williamsville, New York 14221

P 716.634.0700
TF 800.546.7556
W EFPRadvisory.com

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

The Board of Directors
Snow Belt Housing Company, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the consolidated financial statements of Snow Belt Housing Company, Inc. and Subsidiaries (the Company), which comprise the consolidated statement of financial position as of September 30, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to consolidated financial statements, and have issued our report thereon dated January 26, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matter

As part of obtaining reasonable assurance about whether the Company's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards, and which is described in the accompanying schedule of findings and questioned costs as item 2025-001.

Company's Response to the Finding

The Company's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Company's response was not subject to the auditing procedures applied in the audit of the consolidated financial statements and accordingly, we express no opinion on it.

Purpose of this Report

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

EFPR Group, CPAs, PLLC

Williamsville, New York
January 26, 2026

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDARIES

Schedule of Findings and Questioned Costs

September 30, 2025

Finding 2025-001 - Operating Reserve (Pinecrest Manor)

Criteria - According to the regulatory agreement with New York State Housing Trust Fund Corporation (HTFC), the Company is required to annually deposit 3% of budgeted gross rents if the balance on the reserve is below 50% of budgeted gross rents. Withdrawals from this account can only be made with the prior approval of HTFC.

Condition - The operating reserve account was underfunded by $150 at September 30, 2025.

Cause - An oversight by management has led to deposits totaling $150 being missed.

Repeat Finding - This is a repeat of finding 2024-001 from the previous year.

Recommendation - We recommend that management make a deposit of the underfunded amount of $150 to the operating reserve account.

Management's Response - Funds will be transferred in 2026 in the amount of $150 to properly fund the operating reserve account for Pinecrest Manor.

SNOW BELT HOUSING COMPANY, INC. AND SUBSIDARIES

Status of Prior Year Audit Findings

September 30, 2025

Finding 2024-001 - Operating Reserve (Pinecrest Manor)

Condition - The operating reserve account was underfunded by $828 at September 30, 2024.

Status - Management has deposited the underfunded amount of $828 during 2025, however, the operating reserve account continues to be underfunded by $150 at September 30, 2025.

Finding 2024-002 - Operating Reserve (Sunburst Townhouse)

Condition - The operating reserve account was underfunded by $450 at September 30, 2024.

Status - Management has deposited the underfunded amount of $450 during 2025.