Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning July 1, 2010, and ending June 30, 20 11

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization **Habitat for Humanity-Spokane**

Doing Business As

Number and street (or P O box if mail is not delivered to street address) **PO Box 4130** Room/suite

City or town, state or country, and ZIP + 4 **Spokane, WA 99220-0130**

D Employer identification number **94 - 3066722**

E Telephone number **509 - 534-2552**

G Gross receipts $ **3,053,564**

F Name and address of principal officer **Michone Preston**
Same as C

H(a) Is this a group return for affiliates? ☑ Yes ☐ No
H(b) Are all affiliates included? ☐ Yes ☑ No
If "No," attach a list (see instructions)

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ **www.habitat-spokane.org**

H(c) Group exemption number ▶ **8545**

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶   L Year of formation **1987**   M State of legal domicile **WA**

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: **Habitat for Humanity-Spokane is an ecumenical, nonprofit Christian ministry dedicated to bringing the community together to build decent, affordable housing for all God's people in need.**

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	12
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	12
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	36
6	Total number of volunteers (estimate if necessary)	6	8975
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	N/A

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	732,197	902,361
9	Program service revenue (Part VIII, line 2g)	1,406,653	1,348,312
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,142	3,120
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	395,421	173,796
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,537,413	2,427,589
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	3,756	35,000
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	467,186	448,050
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 182,601		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	1,954,199	1,858,764
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	2,425,141	2,341,814
19	Revenue less expenses. Subtract line 18 from line 12	112,272	85,775

Net Assets or Fund Balances		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	5,312,130	5,367,768
21	Total liabilities (Part X, line 26)	1,352,102	1,318,954
22	Net assets or fund balances. Subtract line 21 from line 20	3,960,028	4,048,814

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Chad Adams, CPA — Signature of officer — Date 4/13/11

Charles Adams, Treasurer
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name ▶ Firm's EIN ▶

Firm's address ▶ Phone no

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

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Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . ☐

1 Briefly describe the organization's mission:

Habitat for Humanityis an ecumenical, nonprofit Christian ministry dedicated to bringing the community together to build decent, affordable housing for all God's people in need.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 1,166,956 including grants of $ 35,000) (Revenue $ 1,056,182)

Construction, Repairs and/or rehabilitation of houses for low income families by using donated labor & materials.
Habitat-Spokane builds homes with families in need in Spokane County.
Families work beside the volunteers to help build their homes.
Each family must put in 500 hours of sweat equity to build their homes.
Familis who are selected for our program must meet our requirements which are as follows:
1. Must be living in substandard housing.
2. Earn between 25% and 60% of the Spokane County Area Median Income.
3. Willing to partner with Habitat-Spokane.
4. Willing to put in 500 hours of sweat equity.

4b (Code:) (Expenses $ 805,951 including grants of $ 0) (Revenue $ 292,130)

Provide 0% interest loans to the families we serve.
Homes are sold to families at the cost of building their hom with mostly donated labor.
The built in equity in the home due to volunteer labor is included in a 2nd mortgage.
The 2nd Mortgage is forgiven at a rate of 5% for each year the family lives in the home.
The 2nd Mortgage only needs to be paid if family sells their home.
Mortgage terms are based on family income.
Mortgage payments include principal, property taxes and insurance.
Mortgage payment amounts are kept at or below 30% of family income.
The principal payments received from current homeowners are used to build homes for future homeowners.

4c (Code:) (Expenses $ 0 including grants of $ 0) (Revenue $ 173,796)

The sale of donated materials at a discounted price at our Habitat Store.
The donation of material to our Habitat Store helps decrease the amount of materials that end up in landfills.
The net proceeds from The Habitat Store are transferred to the affiliate to build homes for families in need.
The proceeds from the Store in the fiscal year ending June 2011 helped build 1.75 homes in Spokane County.
Habitat-Spokane Tithes 10% of proceeds to HFHI for support of International builds in 3rd world countries.
The Tithe proceeds from The Habitat Store helped build 4.5 homes in developing countries.

4d Other program services. (Describe in Schedule O.)
(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e **Total program service expenses ▶** 1,972,907

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	✓	
2	Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2	✓	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		✓
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		✓
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		✓
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9	✓	
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		✓
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	✓	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		✓
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		✓
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		✓
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		✓
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		✓
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	✓	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		✓
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		✓
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		✓
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		✓
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		✓
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		✓
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		✓
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		✓
20 a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		✓
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	✓	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		✓
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		✓
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a		✓
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		✓
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		✓
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26	✓	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		✓
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		✓
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		✓
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		✓
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	✓	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		✓
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34		✓
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		✓
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☐ Yes ☑ No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		✓
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		✓
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	✓	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 11			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	✓	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 36			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	✓	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file*. (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		✓
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		✓
b	If "Yes," enter the name of the foreign country: ▶ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		✓
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		✓
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		14b		

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI . . . ☑

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . **1a** 11			
b	Enter the number of voting members included in line 1a, above, who are independent . **1b** 11			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		✓
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		✓
6	Does the organization have members or stockholders?	6		✓
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		✓
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	✓	
b	Each committee with authority to act on behalf of the governing body?	8b	✓	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		✓

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a	✓	
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	✓	
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	✓	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	✓	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	✓	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	✓	
13	Does the organization have a written whistleblower policy?	13	✓	
14	Does the organization have a written document retention and destruction policy?	14	✓	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	✓	
b	Other officers or key employees of the organization	15b	✓	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		✓
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ N/A

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ Greg Griffin, Habitat for Humanity-Spokane, 732 N. Napa St., Spokane, WA 99202 (509)534-2552

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees, officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) Arlene Patton, Board Chair	3.0	✓						0	0	0
(2) Larry Jenkins, Board Vice Chair	2.0	✓						0	0	0
(3) Ezra Eckhardt Board Secretary	2.0	✓						0	0	0
(4) Charles Adams Board Treasurer	2.0	✓						0	0	0
(5) Richard Avery Board Member	1.0	✓						0	0	0
(6) Tom Hansen Board Member	1.0	✓						0	0	0
(7) Rand Hatch Board Member	1.0	✓						0	0	0
(8) Richard Repp Board Member	1.0	✓						0	0	0
(9) Heidi Austin Board Member	1.0	✓						0	0	0
(10) Jeff Schaffer Board Member	1.0	✓						0	0	0
(11) Tim Graybeal Board Member	1.0	✓						0	0	0
(12) Kathryn Solomon Associate Director	40.0			✓				58,740	5,095	0
(13) Michone Preston Executive Director	40.0			✓				69,825	4,817	0
(14)										
(15)										
(16)										

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
(26)										
(27)										
(28)										

	(D)	(E)	(F)
1b Sub-total ▶	128,565	9,912	0
c Total from continuation sheets to Part VII, Section A ▶	0	0	0
d Total (add lines 1b and 1c) ▶	128,565	9,912	0

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 0

		Yes	No
3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		✓
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4		✓
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 0

Part VIII Statement of Revenue

Section	Line	Description	Box	Amount / Business Code	(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a	129,928				
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e	408,321				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	364,112				
	g	Noncash contributions included in lines 1a-1f. $		54,394				
	h	Total. Add lines 1a–1f ▶			902,361			
Program Service Revenue				Business Code				
	2a	Sale of homes		900099	1,034,470	1,034,470		
	b	Amortization of Mortgages		900099	292,130	292,130		
	c	Administration Cost Recovery		900099	9,000	9,000		
	d	Second Mortgage Payoff		900099	12,712	12,712		
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a–2f ▶			1,348,312			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶			3,120	3,120		
	4	Income from investment of tax-exempt bond proceeds ▶						
	5	Royalties ▶						
			(i) Real	(ii) Personal				
	6a	Gross Rents						
	b	Less: rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss) ▶						
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
	b	Less: cost or other basis and sales expenses						
	c	Gain or (loss)						
	d	Net gain or (loss) ▶						
	8a	Gross income from fundraising events (not including $ of contributions reported on line 1c). See Part IV, line 18	a					
	b	Less: direct expenses	b					
	c	Net income or (loss) from fundraising events ▶						
	9a	Gross income from gaming activities. See Part IV, line 19	a					
	b	Less: direct expenses	b					
	c	Net income or (loss) from gaming activities ▶						
	10a	Gross sales of inventory, less returns and allowances	a	796,760				
	b	Less: cost of goods sold	b	622,964				
	c	Net income or (loss) from sales of inventory ▶			173,796	173,796		
		Miscellaneous Revenue		Business Code				
	11a							
	b							
	c							
	d	All other revenue						
	e	Total. Add lines 11a–11d ▶			0			
	12	Total revenue. See instructions. ▶			2,427,589	1,525,228	0	0

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	35,000	35,000		
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	138,477	55,390	60,694	22,393
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	252,652	133,814	59,335	59,503
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits	17,172	8,020	5,332	3,820
10	Payroll taxes	39,749	17,768	13,283	8,698
11	Fees for services (non-employees):				
a	Management				
b	Legal	2,642	2,642		
c	Accounting	14,740	3,373	3,787	7,580
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other				
12	Advertising and promotion	35,452	12,017	2,386	21,049
13	Office expenses	28,110	11,425	8,800	7,885
14	Information technology	15,082	3,540	8,624	2,918
15	Royalties				
16	Occupancy	22,421	11,574	7,956	2,891
17	Travel	12,144	8,594	1,828	1,722
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	16,425	10,809	3,078	2,538
20	Interest	51,655	48,173	1,741	1,741
21	Payments to affiliates	9,167			9,167
22	Depreciation, depletion, and amortization	33,648	21,948	4,188	7,512
23	Insurance	9,615	6,675	2,643	297
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a	Construction Cost of Home Building	988,961	988,961		
b	Discounts on Receivables	589,886	588,656	1,230	
c	Pledge Write-offs	21,070			21,070
d	Association Dues	5,071	3,654	1,263	154
e	Miscellaneous	2,675	874	638	1,163
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	2,341,814	1,972,907	186,806	182,101
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	147,017	1	416,917
	2	Savings and temporary cash investments	28,410	2	8,437
	3	Pledges and grants receivable, net	101,135	3	37,228
	4	Accounts receivable, net	214,011	4	72,924
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	43,414	5	34,126
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net	3,757,887	7	4,017,332
	8	Inventories for sale or use	34,388	8	27,953
	9	Prepaid expenses and deferred charges	7,232	9	9,071
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a 1,001,425			
	b	Less: accumulated depreciation — 10b 312,842	833,260	10c	688,583
	11	Investments—publicly traded securities		11	
	12	Investments—other securities. See Part IV, line 11		12	
	13	Investments—program-related. See Part IV, line 11	137,876	13	47,697
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	7,500	15	7,500
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	5,312,130	16	5,367,768
Liabilities	17	Accounts payable and accrued expenses	232,485	17	294,356
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D	78,082	21	83,786
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	698,217	23	565,348
	24	Unsecured notes and loans payable to unrelated third parties	343,318	24	375,463
	25	Other liabilities. Complete Part X of Schedule D		25	
	26	**Total liabilities.** Add lines 17 through 25	1,352,102	26	1,318,954
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	3,911,418	27	4,030,115
	28	Temporarily restricted net assets	48,610	28	18,699
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	3,960,028	33	4,048,814
	34	Total liabilities and net assets/fund balances	5,312,130	34	5,367,768

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,427,589
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,341,814
3	Revenue less expenses. Subtract line 2 from line 1	3	85,775
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	3,960,028
5	Other changes in net assets or fund balances (explain in Schedule O)	5	3,011
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	4,048,814

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☑ Accrual ☐ Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	✓	
b	Were the organization's financial statements audited by an independent accountant?	2b	✓	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	✓	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☑ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		✓
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Habitat for Humanity - Spokane

Employer identification number
94-3066722

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☑ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III–Functionally integrated **d** ☐ Type III–Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section **(see instructions)**)	(iv) Is the organization in col (i) listed in your governing document? Yes	No	(v) Did you notify the organization in col (i) of your support? Yes	No	(vi) Is the organization in col (i) organized in the U S ? Yes	No	(vii) Amount of support
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)** (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	1,060680	1,206,355	1,066,267	740,563	905,372	4,979,237
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3	1,060,680	1,206,355	1,066,267	740,563	905,372	4,979,237
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						145,425
6 **Public support.** Subtract line 5 from line 4.						4,833,812

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4	1,060,680	1,206,355	1,066,267	740,563	905,372	4,979,237
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	3,782	2,903	12,853	3,142	3,120	25,800
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						5,005,037

12 Gross receipts from related activities, etc. (see instructions) . . . 12 3,478,420

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) . . . 14 96.58 %

15 Public support percentage from 2009 Schedule A, Part II, line 14 . . . 15 98.57 %

16a **33 1/3% support test—2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☑

b **33 1/3% support test—2009.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2009** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests—2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests—2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization: Habitat for Humanity-Spokane

Employer identification number: 94 - 3066722

Part I — Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II — Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e.g., recreation or education)
- ☐ Preservation of an historically important land area
- ☐ Protection of natural habitat
- ☐ Preservation of a certified historic structure
- ☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III — Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $

(ii) Assets included in Form 990, Part X ▶ $

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $

b Assets included in Form 990, Part X ▶ $

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV **Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☑ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

			Amount
c	Beginning balance	1c	78,082
d	Additions during the year	1d	260,726
e	Distributions during the year	1e	255,022
f	Ending balance	1f	83,786

2a Did the organization include an amount on Form 990, Part X, line 21? ☑ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V **Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance					
b	Contributions					
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ ________ %

b Permanent endowment ▶ ________ %

c Term endowment ▶ ________ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

			Yes	No
(i)	unrelated organizations	3a(i)		
(ii)	related organizations	3a(ii)		
b	If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI **Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

	Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a	Land	470,535			470,535
b	Buildings	342,811		149,563	193,248
c	Leasehold improvements				
d	Equipment	183,937		159,136	24,801
e	Other	4,142		4,142	0
Total.	Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				688,583

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12.)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Investment in The Habitat Store	47,697	Net Assets of The Habitat Store
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 13.)* ▶	47,697	

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) One Week Time Share used for fundraising	7,500
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶	7,500

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	2,427,589
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	2,341,814
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	88,775
4	Net unrealized gains (losses) on investments	4	0
5	Donated services and use of facilities	5	3,011
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV.)	8	0
9	Total adjustments (net). Add lines 4 through 8	9	3,011
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	88,786

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	2,430,600
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	0		
b	Donated services and use of facilities	2b	3,011		
c	Recoveries of prior year grants	2c	0		
d	Other (Describe in Part XIV.)	2d	0		
e	Add lines **2a** through **2d**			2e	3,011
3	Subtract line **2e** from line **1**			3	2,427,589
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIV.)	4b	0		
c	Add lines **4a** and **4b**			4c	0
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	2,427,589

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	2,341,814
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a	0		
b	Prior year adjustments	2b	0		
c	Other losses	2c	0		
d	Other (Describe in Part XIV.)	2d	0		
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	2,341,814
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIV.)	4b	0		
c	Add lines **4a** and **4b**			4c	0
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	2,341,814

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part IV, Line 2b:Habitat for Humanity includes an escrow amount with the mortgage payments due from our homeowners. This amount covers the annual property taxes, homeowners insurance and any association dues. We collect 1/12 of these amounts each month and hold them in trust until they become due. We then pay these amounts on our homeowner's behalf. These funds are held in a trust account that is maintained in a non-interest bearing account.

Part XIV Supplemental Information *(continued)*

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization: Habitat for Humanity - Spokane

Employer identification number: 94-3066722

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) HFHI Americus GA 31079	91-1914868	501(c)(3)	35,000				Tithe Program
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations ▶ 1

3 Enter total number of other organizations ▶ 0

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.

Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1						
2						
3						
4						
5						
6						
7						

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Habitat for Humanity - Spokane Tithes 10% of undesignated donations to Habitat for Humanity - International for building homes in developing countries. Habitat for Humanity International works directly with affiliates in developing countries. 100% of funds Tithed to HFHI go towards building homes.

SCHEDULE L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open To Public Inspection

Name of the organization: Habitat for Humanity-Spokane

Employer identification number: 94 - 3066722

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

	(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
(1)	Kelly Lynch-Mortgage Loan		✓	43,614	18,339		✓	✓		✓	
(2)	Amy Meyer - Loan		✓	26,410	15,787		✓	✓		✓	
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
Total	. . . . ▶ $				34,126						

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

Part IV . **Business Transactions Involving Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
(1)						
(2)						
(3)						
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Part V **Supplemental Information**
Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

Habitat for Humanity-Spokane's Board of Directors includes a representative from our current Habitat homeowners. The loan this board member has with Habitat is the mortgage of their Habitat Home. This loan is secured by their Habitat home and is entered into prior to them being a Board member.

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047
2010
Open To Public Inspection

Name of the organization: Habitat for Humanity-Spokane

Employer identification number: 94 - 3066722

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles	✓	1	3500	FMV at donation
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (Building Materials)	✓	32	36264	FMV at donation
26	Other ▶ (Volunteer Meals)	✓	1652	11759	FMV at donation
27	Other ▶ (Office Equipment)	✓	4	2871	FMV at donation
28	Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29** 3

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		✓
b	If "Yes," describe the arrangement in Part II.			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	✓	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		✓
b	If "Yes," describe in Part II.			
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.			

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization: Habitat for Humanity - Spokane

Employer identification number: 94 - 3066722

Part IV, Line 26: Habitat for Humanity-Spokane's Board of Directors includes a representative from our current Habitat homeowners. The loan this board member has with Habitat is the mortgage of their Habitat Home. This loan is secured by their Habitat home and is entered into prior to them being a Board member.

Part VI, Line 11a: Our Chief Financial Officer prepares form 990 which is then reviewed by the Executive Committee of the Board of Directors. A copy is then given to each member of the Board of Directors for review and approval. It is then signed by the Treasurer of the Board of Directors.

Part VI, Line 12c: Habitat for Humanity-Spokane's conflict of interest policy is in our bylaws which are reviewed on an annual basis. This policy requires that all Boad members and Habitat staff report any conflict of interest immediately.

Part VI, Line 15b: The process for determining the salaries of our Executive and Associate Director is done by researching salaries of other similar non-profits of our size and comparable for profit businesses for these two positions. This is done annually by Executive Committee of our Board of Directors. Board members are not compensated.

Part VI, Section C, Line 19: Habitat for Humanity-Spokane has copies of Form 990, audited financial statements, articles of incorporation, and Bylaws in our office and are made available upon request. Our conflict of interest policy i not available to the public.

Part XI, Line 5: The amount listed here is the noncash contributions of services and facilities recognized by the affiliate.

Name of the organization
Habitat for Humanity - Spokane

Employer identification number
94 - 3066722

HABITAT FOR HUMANITY – SPOKANE

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

JUNE 30, 2011 and 2010

TABLE OF CONTENTS

Financial Statements

STANLEY A. SHORT, JR
CERTIFIED PUBLIC ACCOUNTANT
TELEPHONE: 509-325-8849
FACSIMILE: 509-325-4111

377 ROCK POINT TOWER
316 West Boone Avenue
SPOKANE, WA 99201

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Habitat for Humanity-Spokane
Spokane, Washington

I have audited the accompanying statements of financial position of Habitat for Humanity-Spokane (a nonprofit organization) as of June 30, 2011 and 2010 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Affiliate's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as discussed in the third paragraph, I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

As explained in Note 3 to the financial statements, generally accepted accounting principles require that donations of labor, land, office equipment, building supplies and materials, including purchases at prices significantly less than fair market value, be recorded at fair market value when received. Certain in-kind contributions were not recorded at fair market value upon receipt in the accompanying financial statements. The effect of this departure from generally accepted accounting principles in the financial statements of the Affiliate has not been determined.

As discussed in Note 4, the Affiliate changed its method of accounting for construction costs in process.

In my opinion, except for the effects of failing to value in-kind contributions as discussed in the third paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity-Spokane as of June 30, 2011 and 2010, and the changes in net assets, functional expenses and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Spokane, Washington
November 21, 2011

Stanley A. Short

Member
American Institute of Certified Public Accountants
Washington Society of Certified Public Accountants

HABITAT FOR HUMANITY - SPOKANE

STATEMENT OF FINANCIAL POSITION

ASSETS

	June 30	
CURRENT ASSETS	2011	2010
Cash	$ 425,354	$ 175,427
Mortgages receivable - current portion (Note 5)	409,429	410,543
Pledges receivable - current portion (Note 4)	37,196	67,795
Other Receivables	72,924	214,011
Prepaid expenses	9,071	7,232
Construction in Progress - Homes (Note 3)	-	-
Inventories	27,953	34,388
Total Current Assets	981,926	909,396
NON CURRENT ASSETS		
Investments (Note 6)	7,500	7,500
Investment in Habitat-Spokane Builders Surplus Store (Note 11)	47,697	137,876
Land held for development	390,535	501,564
Mortgage Receivables - discounted non current portion (Note 5)	3,642,030	3,390,758
Pledges Receivables - discounted non current portion	32	33,340
Property, Plant, and Equipment - Net of $312,842 and $279,194 accumulated depreciation (Note 6)	298,048	331,696
Total Non Current Assets	4,385,842	4,402,734
Total Assets	$ 5,367,768	$ 5,312,130

LIABILITIES AND NET ASSETS

	2011	2010
CURRENT LIABILITIES		
Accounts Payable	$ 253,180	$ 201,740
Accrued Expenses and taxes	41,176	30,745
Reserve and Closing funds on deposit	83,786	78,082
Line of Credit Payable (Note 8)	293,907	287,071
Current portion of Long Term Debt (Note 9)	163,348	146,921
Total Current Liabilities	835,397	744,559
LONG TERM DEBT		
Mortgages and Promissory Notes Payable (Note 9)	483,557	607,543
NET ASSETS		
Unrestricted Net Assets	4,030,115	3,911,418
Temporarily Restricted Net Assets	18,699	48,610
Total Net Assets	4,048,814	3,960,028
Total Liabilities and Net Assets	$ 5,367,768	$ 5,312,130

The accompanying notes are an integral part of theses financial statements

HABITAT FOR HUMANITY-SPOKANE

STATEMENT OF ACTIVITIES

	Year Ended June 30, 2011	2010
Unrestricted Revenue and Support:		
Contributions from Individuals & Corporations	$ 299,890	$ 282,250
Habitat-Spokane Builders Surplus Store (including cash contributions totaling, $263,976 and $331,245 in 2011 and 2010, respectivley, plus decrease in net assets in 2011 of $90,180 and increase in net assets in 2010 of 66,538)	173,796	397,783
Grants	472,399	286,580
Special Events	-	66,082
Mortgage Receivable		
Acquired from transfer of homes to homeowners	1,034,470	1,020,304
Amortization of Discounts	292,130	345,904
In-Kind Contributions	57,405	139,709
Other	97,390	40,445
Interest income, late fees and dividends	3,120	3,142
Total unrestricted revenue and support	2,430,600	2,582,199
Expenses		
Program Expenses - home building	1,926,267	2,041,583
Tithe to HfH International and Donations	35,000	3,756
Public Awareness & Education	11,640	7,506
Management & General	186,306	186,512
Fund Raising	182,601	197,596
Total Expenses	2,341,814	2,436,953
INCREASE IN UNRESTRICTED NET ASSETS	88,786	145,246
NET ASSETS AT BEGINNING OF YEAR	3,960,028	3,814,782
NET ASSETS AT END OF YEAR	$ 4,048,814	$ 3,960,028

The accompanying notes are an integral part of thses financial statements

HABITAT FOR HUMANITY-SPOKANE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2011

	PROGRAM SERVICES	SUPPORT SERVICES	
	HOME BUILDING	TITHE TO HFH INT. AND DONATION	PUBLIC AWARENESS AND EDUCATION
Personnel			
Salary	185,240		
Benefits	11,984		
Payroll Taxes	17,768		
Professioanl Services	6,416		
Construction and Related Costs	970,970		
Depreciation	21,948		
Discounts on Receivables	588,656		
Donations		35,000	
Insurance and Taxes	9,752		
Interest	48,173		
Office Supplies & Equipment	6,272		
Theft/Loss	6,080		
Postage	770		
Repair & Maintenance	3,540		
Telephone & Utilities	10,899		
Training/Acknowledgment	16,140		7,053
Printing & Publications	3,654		4,587
Pledge Write Offs			
Other Expenses	18,005		
TOTAL EXPENSES	$ 1,926,267	$ 35,000	$ 11,640
	82.26%	1.49%	0.50%

The accompanying notes are an integral part of thses financial statements

AND	OTHER EXPENSES	
MANAGEMENT AND GENERAL	FUNDRAISNG	2011 TOTAL
115,527	80.450	381,217
9,634	5,266	26,884
13,283	8.698	39,749
3,787	7,580	17,783
		970,970
4,188	7,512	33,648
1,230		589,886
		35,000
3,636	463	13,851
1,741	1,741	51,655
14,299	8.200	28,771
		6,080
426	829	2,025
2,640		6,180
7,023	4.638	22,560
5,484	16.465	45,142
	19,689	27,930
	21,070	21,070
3,408	-	21,413
$ 186,306	$ 182,601	$ 2,341,814
7.96%	7.80%	100%

HABITAT FOR HUMANITY-SPOKANE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2010

	PROGRAM SERVICES	SUPPORT SERVICES	
	HOME BUILDING	TITHE TO HFH INT. AND DONATION	PUBLIC AWARENESS AND EDUCATION
Personnel			
Salary	173,374		
Benefits	13,975		
Payroll Taxes	16,244		
Professioanl Services	11,947		
Construction and Related Costs	1,101,433		
Depreciation	23,066		
Discounts on Receivable	581,410		
Donations		3,756	
Insurance and Taxes	6,777		
Interest	54,075		
Office Supplies & Equipment	4,962		
Theft/Loss	1,008		
Postage	1,011		
Repair & Maintenance	3,058		
Telephone & Utilities	8,384		
Training/Acknowledgment	14,345		5,718
Printing & Publications	3,223		1,788
Pledge Write Offs			
Other Expenses	23,291		
TOTAL EXPENSES	$ 2,041,583	$ 3,756	$ 7,506
	83.78%	0.15%	0.31%

The accompanying notes are an integral part of thses financial statements

AND	OTHER EXPENSES	
MANAGEMENT AND GENERAL	FUNDRAISNG	2010 TOTAL
118,453	106,133	397,960
11,802	6,110	31,887
11,362	9,733	37,339
4,033	2,550	18,530
		1,101,433
8,335	5,374	36,775
2,482		583,892
		3,756
3,040	448	10,265
1,152	1,153	56,380
12,989	7,996	25,947
		1,008
326	1,196	2,533
2,212		5,270
7,028	4,217	19,629
1,835	12,768	34,666
	32,160	37,171
	6,608	6,608
1,463	1,150	25,904
$ 186,512	$ 197,596	$ 2,436,953
7.65%	8.11%	100%

HABITAT FOR HUMANITY-SPOKANE

STATEMENT OF CASH FLOWS

	Year Ended June 30,	
	2,011	2,010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from general undesignated sources and grants	1,393,012	1,558,753
Cash received from first mortgage payments and payoffs	704,463	413,469
Cash received from interest and other income	3,120	3,142
Cash disbursed from program expenses and construction in progress	(1,332,811)	(1,411,847)
Cash disbursed for general support and fund raising expenses	(367,068)	(391,575)
Net cash provided by operating activities	400,716	171,942
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Investment in Builders' Surplus Store	90,180	(66,538)
Purchase of property and equipment	-	(13,800)
Additions to term mortgages receivable	(251,272)	(173,159)
Purchase of home site building lots net of building sites transferred to construction in progress	111,026	82,772
Net cash (used) in investing activities	(50,066)	(170,725)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in line-of-credit	6,836	(92,287)
(Decrease) Increase in term debt	(107,559)	(139,574)
Net cash provided in financing activities	(100,723)	(231,861)
NET (DECREASE) INCREASE INCASH AND CASH EQUIVALENTS	249,927	(230,644)
CASH AND CASH EQUIVALENTS, beginning of year	175,427	406,071
CASH AND CASH EQUIVALENTS, end of year	425,354	175,427

HABITAT FOR HUMANITY-SPOKANE
STATEMENT OF CASH FLOWS (CONTINUED)

	Year Ended June 30, 2011	2010
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOW FROM OPERATING ACTIVITIES		
INCREASE IN NET ASSETS	88,786	145,246
Adjustments to reconcile increase in net assets to net cash utilized in operating activities:		
Depreciation	33,648	36,775
(Increase) Decrease in prepaid expenses	(1,839)	7,467
(Increase) in mortgage receivables and other receivables	206,109	(72,224)
(Increase) Decrease in construction in process and inventories	6,435	7,303
Increase in accounts payable	51,440	59,588
Increase in accrued expenses and reserves, closing funds and and dues on deposit	16,137	(12,213)
Net cash provided by operating activities	400,716	171,942

DISCLOSURE OF ACCOUNTING POLICY:

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

HABITAT FOR HUMANITY-SPOKANE
NOTES TO FINANCIAL STATEMENTS

1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES: Habitat for Humanity-Spokane (Habitat) is an affiliate Agency with Habitat for Humanity International, an ecumenical, Christian, nonprofit Agency entrusted with financial and volunteer resources. The public at large contributes in-kind resources as well as cash donations, to Habitat. The Agency employs the resources to construct affordable housing for those in need who reside in the county of Spokane, Washington.

PROMISES TO GIVE AND FINANCIAL STATEMENT PRESENTATION: In accordance with FASB ASC 958-225-45 (Formerly Statement of Financial Accounting Standards No. 117), the Affiliate recognizes contributions when the donor makes a promise to give to the Agency that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets.

The Affiliate reviews the collectability of pledges receivable annually. Based on an analysis of outstanding receivables, historic collection information, and existing economic conditions, the carrying amount of receivables is reduced by a valuation allowance that reflects management's best estimate of the accounts that will not be collected. If collection attempts fail, the receivable is written off against the allowance. As of June 30, 2011 and 2010, management has determined that an allowance is required for doubtful accounts. The balance is deemed collectible.

INCOME TAXES: The Affiliate is a not-for-profit Agency and is exempt from federal income taxes under section 501 (c) (3) of the Internal Revenue Code. The Internal Revenue Service has determined that the Affiliate is not classified as a private foundation.

ESTIMATES: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates include the discount rate applied to the non-interest bearing mortgages, the fair market value of donated goods and services, and the provision for depreciation, lives of fixed assets, and the functional allocation of expenses.

GEOGRAPHIC CONSCENTRATIONS: The Affiliate serves the City and County of Spokane and its outlying areas. The Affiliate relies heavily on support from the residents of those areas.

1- NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

CASH ACCOUNTS AND CONCENTRATIONS OF CREDIT RISK: Cash deposits and balances are in multiple accounts primarily with one financial institution and periodically exceed federally insured limits. At June 30, 2011, cash balances on deposit with a single financial institution totaled $425,354 and did not exceed the federal insurance limits.

INVENTORY: Inventory at June 30, 2011 is stated at the estimated fair market value.

FISCAL YEAR: The Agency adopted a fiscal year ending June 30 effective on January 1, 1998. These financial statements are for the accounting periods commencing on July 1, and ending June 30, 2011 and 2010, respectively.

PROPERTY AND EQUIPMENT: Property and equipment are recorded at cost or fair market value of buildings or equipment at the date of donation. These amounts include expenditures for items that substantially increase the useful lives of existing assets. The Affiliate's policy is to capitalize property and equipment that costs in excess of $5,000. Items of lesser amount are expensed in the year acquired. Donations of property and equipment are reported as unrestricted contributions unless the donor has designated the asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent any donor stipulations regarding the period of time such restrictions must be maintained, donor restrictions lapse when donated or acquired assets are placed in service, as instructed by the donor. The Affiliate reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment is depreciated in accordance with the straight-line method over the estimated useful lives of the respective assets.

UNRESTRICTED AND RESTRICTED NET ASSETS: Unrestricted net assets included resources that are not temporarily restricted or permanently restricted net assets and are available for the operation of the Affiliate without limitation. Any donor imposed restrictions which lapse or are fulfilled within the same time period as the funds are received are considered unrestricted. Donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. Permanently restricted net assets result from contributions received with donor imposed restrictions stipulating the contribution be invested in perpetuity. Temporarily restricted net assets are those used by the Affiliate that has been limited by donors to a specific time period or purpose. Upon fulfillment of the purpose, expiration or withdrawal of the restriction by the donor, temporarily restricted net assets are reclassified to unrestricted net assets. There are no permanently or temporarily restricted net assets as of June 30, 2011 or 2010.

2- EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Management of the Affiliate (Habitat for Humanity-Spokane) considered events and transactions that occurred subsequent to the balance sheet date, (from July 1, 2011, through January 21, 2012, the date the financial statements were issued), for potential recognition and disclosure. Subsequent to the balance sheet date, the Affiliate along with four other Habitat affiliates, invested in a joint venture ("HFHI-SA Leverage IX, LLC") and received a 13.713% ownership interest. The investment will allow the Affiliate to take advantage of New Market Tax Credit ("NMTC") financing. NMTC financing allows the Affiliate to enter into loan or investment capital arrangements with outside party's. The proceeds may be utilized to further its mission of providing affordable housing to those in need. Outside investors participating in the program will receive new markets tax credits which may serve to reduce their federal income tax liability. The Affiliate will invest $ 1,220,270 and in exchange will receive a loan of $1,608,238, from a community development entity (an affiliate of the joint venture.) The loan proceeds are to be used exclusively for the purpose of construction/sale of qualifying housing properties to low income residents. The loan is to be repaid over a 16-year period. The loan will accrue interest only for years 1 through 8 at a reduced rate of .7555132%. Beginning in year 9 and through year 16, the principal balance of the loan is to be amortized over the remaining eight-year period, at the same rate of .7555132%. In November 2019 the holder of the promissory note, (the original lender), is expected to exercise its put option, acquired as a part of the initial transaction. Under the terms of the put option agreement the promissory note holder is expected to purchase ownership of the joint venture fund and exercise of the option will effectively allow Habitat for Humanity-Spokane to extinguish its outstanding debt.

3 - DONATED ASSETS AND SERVICES

Generally accepted accounting principles require that donated assets and certain services be reflected as contributions at their estimated fair market value on the date of receipt.

A substantial number of volunteers have made significant contributions of time and services to the Agency's program and supporting services. The value of some of these contributions has not been estimated or accounted for in these statements.

In order to provide homes at a reasonable cost, the Agency computes the value of the original mortgage on the homes transferred at the total of actual building costs incurred plus the estimated fair value of material donated. The value of donated labor is purposely not included in the transfer value of the homes in order to provide affordable non-interest bearing mortgages. In accordance with FASB ASC 958-605, generally accepted accounting principles (formerly SFAS No. 116) require that contributed services which create or serve to enhance a non-financial asset (such as buildings and other property) be recorded as support. However, since this would increase the "cost" to low-income

3- DONATED ASSETS ASND SERVICES (continued)

residents,compliance with this standard would be in conflict with the stated purpose of the Agency.

The Habitat Store assigns no value to the goods and services that are donated to the store for resale. Management believes it is not possible to estimate the value of the many and varied materials that are received.

4 - CHANGE IN METHOD OF ACCOUNTING FOR THE COSTS OF CONSTRUCTION IN PROGRESS

In prior years, the Affiliate accounted for the costs of homes under construction as Construction in progress-homes and classified these costs as a current asset. As of June 30, 2006, the Affiliate changed its method of accounting for such costs. These costs have been reclassified to program home building construction costs and are included with the program costs of homes completed and closed in the Statement of Functional Expenses for the fiscal years ending June 30, 2011 and 2010, respectively. The Affiliate also has accrued a ratable amount of revenue, based upon an estimate of the percentage of completion of the homes in process.

5 - PLEDGES RECEIVABLE

Included in "Contributions Receivable" are the following promises to give:

	2011	2010
Unconditional promises to give before unamortized discount and allowance for uncollectables	$ 55,895	$116.405
Less: Unamortized discount	(7,689)	(6,428)
	48,206	109,977
Less: Allowance for uncollectables	(11,010)	(8,842)
Net unconditional promises to give	$ 37,196	$103,135
Amounts due in:		
Less than one year	$ 17,439	$ 67,795
One to five years	38,456	48,610
Total	$ 55,895	$116,405

The discount rate was 3% for the fiscal years ending June 30, 2011 and June 30, 2010.

6 - MORTGAGES RECEIVABLE

Mortgages receivable are non-interest bearing notes which are secured by real estate located in the county of Spokane, Washington. The mortgages' original maturities are typically 20 to 30 years, and are payable monthly. The balances reported in the statement of financial position as of June 30, 2011 and 2010, are calculated as follows:

	2011	2010
Mortgages receivable (at face value)	$8,250,632	$7,703,948
Discount on non-interest bearing mortgages receivable	(4,199,173)	(3,902,647)
Net Mortgages receivable-Discounted	4,051,459	3,801,301
Less current portion of mortgages receivable	(409,429)	(410,543)
Non-current portion of mortgages receivable	$3,642,030	$3,390,758

Prior to December 31, 1993 the Affiliate neither accounted for nor recorded discounts on non-interest bearing mortgages receivable. As of December 31, 1993. and in subsequent years, pursuant to a change in accounting method, mortgages were discounted at varying rates from 7% to 8.75% based upon market rates established by the HFH International. For mortgages originating during the twelve-month periods ending June 30, 2011 and 2010, discount rates of 7.69% and 7.81%, as provided by HFH International, were applied to the original mortgage balances. respectively. Discounts are amortized using the effective interest method over the lives of the mortgages. The discounted value of the mortgages receivable are subject to substantial variation should interest rates change dramatically. The balance of the mortgage discounts remaining to be amortized totals $4,199.173 and $3,902,647 as of June 30, 2011 and 2010, respectively.

In addition to first mortgages recorded at the time of closing and transfer of home ownership, the Affiliate calculates second mortgage balances. The second mortgages represent the difference between appraised values and transfer values at date of closing, and are payable to the Affiliate in the event the homes are sold, refinanced, or otherwise transferred prior to the maturity of the underlying first mortgage. Second mortgages to be amortized over the original mortgage maturity, totaled $2,358,206 and $2,758,146 as of June 30, 2011 and 2010, respectively.

The current home-owner mortgage portfolio includes receivables from one employee, and a current and a former member of the Board of Directors of the Affiliate. The mortgage balances were not material to the Affiliates Activities or Financial Position as of June 30, 2011 or 2010.

6- MORTGAGES RECEIVABLE (continued)

The Affiliates policies and procedures allow for all qualified candidates to make application for home ownership, including current and/or former employees, board members and immediate family members of employees or board members All applicants are selected in accordance with the Affiliate's policies and procedures that apply to all potential home applicants. Upon satisfactorily completing all applicable qualification requirements for home ownership, selected applicants are then offered the opportunity of home ownership.

The Affiliate makes no provision for un-collectable mortgages since it has historically experienced few defaults. Additionally all mortgages are secured by residences with market values substantially in excess of the balances owed.

In order to enhance cash flow and current liquidity, subsequent to June 30, 2011, the Affiliate sold 57 mortgages receivable accounts from its portfolio to a local financial institution. The Affiliate received $1,400,326 in exchange for approximately 35% of its current mortgage portfolio. The transaction resulted in a gain to the Affiliate of $374,905. The mortgages were sold with full recourse, which results in a contingent liability to the Affiliate should the homeowner default on payment of the loan. The Affiliate has experienced very few defaults and considers the possibility immaterial. The transaction will be treated as a sale rather than a secured borrowing in accordance with FASB-ASC 958-860, (formerly Statement of Financial Accounting Standards No. 140.).

7 - PROPERTY, PLANT AND EQUIPMENT

Depreciable assets are valued at cost if purchased and are valued at estimated fair value if received by donation. Property, plant, and equipment are comprised of the following at June 30, 2011 and 2010.

	2011	2010
Land, rental and Office/Warehouse facilities	$422,811	$422,811
Construction equipment	86,320	86,320
Computer Hardwar and Software	94,664	94,664
Office furniture and fixtures	7,095	7,095
	610,890	610.890
Less Accumulated Depreciation	312,842	279.194
	$298,048	$331,696

Effective July 1, 2000, the Affiliate revised its policy regarding capitalization of property and equipment and requires that fixed assets be capitalized when cost or fair value is in excess of $5,000. The effects of this change were not material to the Affiliate's statements of financial position or activities.

8 - INVESTMENTS

Investments consist of a donated one week interest in a condominium time-share unit in Ogden, UT which was received and recorded at the estimated fair value of $7,500. The use of this unit is auctioned as part of a special event fund-raiser.

9 - UNSECURED DEBT

The Affiliate maintains an operating line-of-credit arrangement, (LOC) with a local financial institution. The credit line is unsecured and at below market interest rates. The maximum draw is limited to $500,000 upon which $293,907 and $287,071 was drawn and remained outstanding as of June 30, 2011 and 2010, respectively. Interest accrues at 5.25% as of June 30, 2011 and 2010, respectively. Although the loan is unsecured, terms and conditions of the credit arrangement generally do not allow the Affiliate to pledge or otherwise encumber assets, without prior concurrence of the lender. A LOC at Banner Bank was paid off and discontinued in 2010.

10 - LONG-TERM DEBT

Promissory Notes are payable to Habitat for Humanity International (HFHI.) The grant/loan program, known as the Self-Help Home Ownership Opportunity Program, (SHOP), is administered by the U.S. Department of Housing and Urban Development, (HUD), and is designed to provide funds to non-profit organizations for purchase of land and construction of infrastructure thereon, in preparation for the construction of homes for low-income families. The loan amount is equal to 25% of the proceeds of the monies advanced under the program. The remainder of the SHOP funds are grants to the Affiliate. The Affiliate competes with other Habit affiliates for funds awarded to HFHI by HUD. The loan portion is a non-interest loan payable over a four year period. The SHOP Program requires that the Affiliate complete 70% of home construction within 24 months of the Grant award date. The balance of construction must be completed within the subsequent twelve month period. Repayment of the loans is scheduled to commence in July two years after the initial award date.

The Affiliate intended to utilize SHOP funding to complete construction of the infra-structure for the Deer Park, Washington project. The City however, required certain modifications of zoning ordinances prior to start of construction.

Discussion with the City regarding the development and compliance with amended ordinances substantially delayed the construction phase. As a result, the Affiliate fell substantially behind it's original construction schedule and was unable to comply with the construction time line as required by the HFHI SHOP program requirements. HFHI requested the Affiliate refund the SHOP loan and grant funding. The refunds totaled $152,842 as of June 30, 2011.

10. LONG-TERM DEBT (continued)

The amounts listed below are the remaining balances of the loan portion of SHOP funds received as of June 30, 2011 and 2010:

	2011	2010
SHOP 2006	35,172	49,224
SHOP 2008	-	7,023
SHOP 2009	21,000	-
Secured mortgage payable to HFHI. The loan was approved March 22, 2006, totaling $219, 500. The loan is payable Quarterly in monthly installments of $2.242, beginning April 2006 including interest at 3.89% over seven years. The loan is secured by selected first-mortgages payable to the Affiliate by home owners.	50,591	82,777
Secured mortgage payable to HFHI. The loan was approved December 3, 2007, totaling $152,600. The loan is payable Quarterly in monthly installments of $2,091, beginning December 2006 including interest at 4.0% over seven years. The loan is secured by selected first-mortgages payable to the Affiliate by home owners.	75,330	96,633
Secured mortgage payable to HFHI. The loan was approved April 30, 2009 totaling $620,800. The loan is payable Quarterly in monthly installments of $8.894, beginning July 2009 including interest at 5.3% over seven years. The loan is secured by selected first-mortgages payable to the Affiliate by home owners.	439,427	518,808
Habitat for Humanity – Spokane contracted with Community Frameworks in April 2011 to purchase a buildable lot for $25,385 to be paid over 30 years at 3% interest or in Quarterly installments of $2,500 beginning July 2011 at 0.0% interest if repaid within 5 years.	25,385	
	646,905	754,464
Less current portion	163,348	146,921
	$ 483,557	$ 607,543

10- LONG-TERM DEBT (continued)

Aggregate maturities or payments required on principal under long-term debt obligations are as follows:

Years ending June 30:	
2012	163,348
2013	152,836
2014	134,286
2015	185,935
2016	5,250
Debt due outside five year maturity	5,250
	$646,905

11 - TRANSACTIONS WITH HABITAT FOR HUMANITY INTERNATIONAL (HFH INTERNATIONAL)

The Affiliate annually remits a portion of contributions and donations received, (excluding in-kind contributions and contributions designated for local use) to HFH International. These funds are used in the HFH International construction program to build homes in economically depressed areas around the world. During the years ended June 30, 2011 and 2010, the Affiliate contributed $35,000 and $3,750 respectively, to HFH International.

12 - FORMATION AND OPERATION OF THE HABITAT STORE

The Affiliate operates a retail store known as "The Habitat Store", (formerly known as The Habitat Spokane Builders' Surplus Store.) The Habitat Store sells building materials, home furnishings and a variety of construction and domestic accessories. The inventory is entirely donated and typically is excess, aged or slightly damaged materials when received from donors. Many affiliates in the U.S. have started similar operations. All are organized as a subsidiary-agency of the respective HFH affiliates. A second store in Spokane Valley was closed in 2011.

The net assets of The Habitat Store decreased a total of $90,180 for the period ended June 30, 2011 and increased a total of $56,538 for the period ended June 30, 2010. The purpose of the retail operations is to generate additional capital which is then invested back into the Affiliate's main program activity, which is the construction of affordable housing for those in need in the Spokane County, Washington area.

12- FORMATION AND OPERATION OF THE HABITAT STORE (continued)

The Habitat Store also fulfills an important recycling resource since a significant portion of the material donated would otherwise be discarded were it not for the collection and sale by The Habitat Store. The Habitat Store represents a very significant alternative to solid waste disposal for certain types of products.

The Store makes cash contributions to the Affiliate when balances are in excess of operating requirements. During the fiscal years ending June 30, 2011 and 2010, The Habitat Store contributed $263,976 and $331,245, respectively, to the Affiliate.