RICHMOND METRO HABITAT FOR HUMANITY, INC.

Financial Statements

June 30, 2011 and 2010

Keiter
Your Opportunity Advisors

Certified Public
Accountants & Consultants
4401 Dominion Boulevard, 2nd Floor
Glen Allen, VA 23060

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RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

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Your Opportunity Advisors

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors
Richmond Metropolitan Habitat for Humanity, Inc.
Richmond, Virginia

We have audited the accompanying statement of financial position of Richmond Metropolitan Habitat for Humanity, Inc. (the "Organization") as of June 30, 2011, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarization of comparative information has been derived from the Organization's June 30, 2010 financial statements, which were audited by other auditors whose report dated December 9, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. These standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Richmond Metropolitan Habitat for Humanity, Inc. as of June 30, 2011 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

Keiter

March 23, 2012
Glen Allen, Virginia

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RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

Statement of Financial Position
June 30, 2011 with 2010 Comparative Totals

			Totals	
Assets	Unrestricted	Temporarily Restricted	2011	2010
Current assets:				
Cash and cash equivalents	$ 88,883	$ 42,176	$ 131,059	$ 919,003
Accounts receivable	66,975	-	66,975	17,985
Pledges and grants receivable	-	60,000	60,000	32,500
Inventory	3,013,909	319,823	3,333,732	2,443,604
Prepaid expenses	63,839	-	63,839	16,975
Mortgages receivable - current portion	692,527	-	692,527	646,280
Other current assets	13,267	-	13,267	12,321
Total current assets	3,939,400	421,999	4,361,399	4,088,668
Property and equipment, net	509,547	-	509,547	557,566
Other assets:				
Land for future development	19,009	391,000	410,009	410,009
Land not suitable for building	24,133	-	24,133	23,605
Escrow funds held by VHDA	64,865	-	64,865	70,319
Mortgages receivable - net of current portion and unamortized discount	4,387,179	-	4,387,179	4,530,170
Total other assets	4,495,186	391,000	4,886,186	5,034,103
	$ 8,944,133	$ 812,999	$ 9,757,132	$ 9,680,337

See accompanying notes to financial statements.

RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

Statement of Financial Position, Continued
June 30, 2011 with 2010 Comparative Totals

Liabilities and Net Assets	Unrestricted	Temporarily Restricted	Totals 2011	Totals 2010
Current liabilities:				
Line of credit	$ 722,500	$ -	$ 722,500	$ 197,500
Accounts payable	67,990	-	67,990	170,974
Notes payable - current portion	154,694	-	154,694	171,335
Obligations under capital leases - current portion	5,667	-	5,667	5,364
Accrued expenses	98,335	-	98,335	96,873
Escrow fund liability	110,543	-	110,543	100,367
Total current liabilities	1,159,729	-	1,159,729	742,413
Notes payable	1,185,984	-	1,185,984	1,258,803
Obligations under capital leases	-	-	-	5,252
Total liabilities	2,345,713	-	2,345,713	2,006,468
Net assets:				
Unrestricted	6,598,420	-	6,598,420	6,810,874
Temporarily restricted	-	812,999	812,999	862,995
Total net assets	6,598,420	812,999	7,411,419	7,673,869
	$ 8,944,133	$ 812,999	$ 9,757,132	$ 9,680,337

See accompanying notes to financial statements.

RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

Statement of Activities
Year Ended June 30, 2011 with 2010 Comparative Totals

	Unrestricted	Temporarily Restricted	Totals 2011	Totals 2010
Support and revenue				
Support:				
Contributions:				
Corporations	$ 33,782	$ 325,277	$ 359,059	$ 299,674
In-kind	79,262	450	79,712	306,483
Government grants	19,461	366,187	385,648	207,158
Civic groups	30,619	18,739	49,358	134,989
Congregations	14,571	15,067	29,638	24,083
Individuals	58,827	300	59,127	148,164
Other grants	51,000	5,000	56,000	25,000
Total support	287,522	731,020	1,018,542	1,145,551
Revenue:				
Transfers to homeowners	566,412	-	566,412	604,472
Interest-mortgage loan discount amortization	541,342	-	541,342	450,073
ReStore income	573,866	-	573,866	474,128
Other income	129,106	-	129,106	20,484
Special events, net	6,006	-	6,006	(406)
Interest income	2,204	-	2,204	8,656
Total revenue	1,818,936	-	1,818,936	1,557,407
Total support and revenue	2,106,458	731,020	2,837,478	2,702,958
Net assets released from restrictions	594,199	(594,199)	-	-
Expenses:				
Program services	2,413,078	-	2,413,078	2,074,287
Supporting services:				
Managerial and general	403,370	-	403,370	251,328
Fundraising	96,663	-	96,663	55,651
Impairment loss	-	186,817	186,817	-
Loss on disposal of assets	-	-	-	361
Total expenses	2,913,111	186,817	3,099,928	2,381,627
Change in net assets	(212,454)	(49,996)	(262,450)	321,331
Net assets at beginning of year	6,810,874	862,995	7,673,869	7,352,538
Net assets at end of year	$ 6,598,420	$ 812,999	$ 7,411,419	$ 7,673,869

See accompanying notes to financial statements.

RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

Statement of Functional Expenses
Year Ended June 30, 2011 with 2010 Comparative Totals

	Program Services	General and Administrative	Fundraising	Totals 2011	Totals 2010
Salaries and benefits	$ 820,668	$ 275,780	$ 82,729	$ 1,179,177	$ 923,242
Building materials, supplies, and land	742,293	7,730	-	750,023	517,638
Mortgage discounts	255,548	-	-	255,548	302,692
Other	270,605	67,113	1,843	339,561	323,567
Interest	94,113	1,757	-	95,870	63,309
Office supplies	7,425	3,228	381	11,034	7,838
Rent and occupancy	75,335	25,566	7,512	108,413	100,578
Insurance	44,124	18,621	-	62,745	51,582
Depreciation	49,471	-	-	49,471	51,418
Printing, postage and advertising	30,692	1,458	2,686	34,836	15,689
Repairs and maintenance	14,284	450	-	14,734	15,525
Habitat for Humanity International	-	-	-	-	4,500
Travel and conferences	8,520	1,668	1,512	11,700	3,688
Total	$ 2,413,078	$ 403,370	$ 96,663	$ 2,913,111	$ 2,381,266

See accompanying notes to financial statements.

RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

Statement of Cash Flows
Year Ended June 30, 2011 with Comparative Totals for 2010

	2011	2010
Cash flows from operating activities:		
Change in net assets	$ (262,450)	$ 321,331
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	49,471	51,418
Loss on disposal of property and equipment	-	361
Donated property and equipment	-	(1,306)
Donated inventory	(147,050)	(147,640)
Mortgage loan discount amortization	(541,342)	(450,073)
Net value of mortgages issued	(230,144)	(260,425)
Proceeds from mortgages	868,230	829,158
Changes in operating assets and liabilities:		
Accounts receivable	(48,990)	-
Pledges and grants receivable	(27,500)	6,135
Inventory	(743,078)	(604,126)
Prepaid expenses	(46,864)	(3,959)
Other current assets	(946)	(2,609)
Escrow funds held by VHDA	5,454	4,692
Land held for future development	-	(2,304)
Land not suitable for building	(528)	4,962
Accounts payable	(102,984)	(111,001)
Accrued expenses	1,462	-
Escrow fund liability	10,176	3,477
Net cash used in operating activities	(1,217,083)	(361,909)
Cash flows from investing activities:		
Proceeds from sale of assets	-	5,000
Purchase of property and equipment	(1,452)	(71,071)
Net cash used in investing activities	(1,452)	(66,071)
Cash flows from financing activities:		
Proceeds from notes payable and line of credit	562,500	1,255,784
Principal payments on capital lease	(4,949)	(5,008)
Principal payments on notes payable	(126,960)	(164,036)
Net cash provided by financing activities	430,591	1,086,740

See accompanying notes to financial statements.

RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

Statement of Cash Flows, Continued
Year Ended June 30, 2011 with Comparative Totals for 2010

	2011	2010
Net change in cash and cash equivalents	$ (787,944)	$ 658,760
Cash and cash equivalents, beginning of year	919,003	260,243
Cash and cash equivalents, end of year	$ 131,059	$ 919,003
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	$ 95,869	$ 15,689

See accompanying notes to financial statements.

1. Organization and Nature of Activities:

Richmond Metropolitan Habitat for Humanity, Inc., (the "Organization") is a non-profit, non-stock, tax-exempt corporation dedicated to providing decent, low-cost housing for economically disadvantaged families on a non-discriminatory basis. Incorporated in Virginia in 1986, the Organization is an affiliate of Habitat for Humanity International, Inc. ("HFHI"), a non-denominational Christian non-profit organization. Although Habitat International assists with information resources, training, publications, and in many other ways, the Organization is primarily and directly responsible for its own operations, which are conducted in the metropolitan area of Richmond, Virginia. During 2003, the Organization opened a ReStore operation. The ReStore operates like a thrift store, selling primarily donated goods which diverts usable goods out of the waste stream and raises funds to build additional Habitat homes.

2. Summary of Significant Accounting Policies:

Basis of Accounting: The financial statements of the Organization have been prepared using the accrual basis in accordance with accounting principles generally accepted in the United States.

Cash Equivalents: The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts, Pledges, and Grants Receivable: Contributions pledged and grants receivable are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Donor-restricted contributions and grants are reported as increases in temporarily or permanently restricted net assets based upon the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, contributions and grants that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the contribution is recognized.

The Organization uses the allowance method for estimates of uncollectible receivables. The allowance is based on historical collection rates and an analysis of individual receivables. Based on this analysis, there is no provision for uncollectible amounts for 2011.

There were $60,000 of grants receivable and no pledges receivable as of June 30, 2011. At June 30, 2010, the Organization recorded unconditional pledges receivable related to the operations of the Organization for $32,500 which were received during 2011.

2. Summary of Significant Accounting Policies, Continued:

Mortgages Receivable: Mortgages receivable consist of non-interest bearing first mortgages which are collateralized by real estate and which have been discounted based upon prevailing market interest rates for low-income housing at the time of issuance. These discounts are amortized and recognized as interest income over the term of the mortgages. Payable in monthly installments, the mortgages have an original maturity of 20 or 30 years, and arose in connection with the Organization's projects in Richmond, Virginia and the surrounding counties.

If a mortgagor fails to pay, the Organization may foreclose on the property to prevent further losses. As the property will revert back to the Organization, and mortgages are below market value at inceptions, there is no estimate for loan loss reserve given management’s belief that the property will be higher in value than that of the default mortgage.

Inventory: Purchased inventory is carried at cost and is relieved on a specific identification basis. Donated inventory used in home construction is recorded at estimated fair value. For ReSale store operations, contributed inventory is not recorded until it is sold due to the uncertainty of its ultimate value.

Property and Equipment: Property and equipment are stated at cost, or as in the case of donations, at fair market value as of the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets ranging from 3 to 30 years. Expenditures for maintenance and repairs are expensed currently, while expenditures for major additions and betterments greater than $250 are capitalized. Upon retirement or sale of an asset, the cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in operations.

Classes of Net Assets: The financial statements report amounts separately by class of net assets as follows:

> Unrestricted amounts are those currently available at the discretion of the Board of Directors for use in the Organization's operations and those resources invested in property and equipment.
>
> Temporarily restricted amounts are those which are stipulated by donors for specific operating purposes or for the acquisition of property or equipment. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At June 30, 2011, all temporarily restricted net assets were restricted for the purpose of building and selling homes.

2. Summary of Significant Accounting Policies, Continued:

Classes of Net Assets, Continued:

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Organization to use all or part of the income earned on any related investments for general or specific purposes, in accordance with the conditions of each specific donation. The Organization had no permanently restricted net assets at June 30, 2011.

Donated Land, Materials and Services: Donated land, materials and services are included in contributions at fair market value as of the date of donation. The Organization received $79,712 during 2011 of pro-bono legal, construction and appraisal services. These services are recorded as contribution revenue and professional fee expense, cost of sales, or are included in another appropriate expense account. A substantial number of unpaid volunteers have made significant contributions of their time in the Organization's administrative and operating activities. The value of this contributed time is not reflected in these statements because the criteria for recognition under guidance provided by the Financial Accounting Standards Board ("FASB") related to accounting for contributions received and contributions made, had not been satisfied.

Revenue and Cost Recognition: The Organization recognizes revenue from all homebuilding activities at the closing of the sale using the deposit method. During construction, all direct material and labor costs and those indirect costs related to acquisition and construction are capitalized as inventory, and all customer deposits are treated as liabilities. The Board of Directors approves house sales prices based on size and market conditions. The costs of the houses are reflected in program services expenses as "building materials, supplies, and land" in the year the mortgage is closed. The sales prices are concurrently reflected in the financial statements as "transfers to homeowners."

Income Taxes: The Organization is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Management has evaluated the effect of guidance surrounding uncertain income tax positions and concluded that the Organization has no significant financial statement exposure to uncertain income tax positions at June 30, 2011. The Organization's income tax returns for years since 2007 remain open for examination by tax authorities. The Organization is not currently under audit by any tax jurisdiction.

2. Summary of Significant Accounting Policies, Continued:

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

Concentration of Credit Risk: Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, and mortgages receivable. At times, these balances are in excess of the FDIC insurance limit. Mortgages are collateralized by deeds of trust on the property and are not considered to be at risk.

Advertising: Advertising costs are charged to expense as incurred and were $10,327 for 2011.

Reclassifications: Certain prior year balances have been reclassified to conform with the current year presentation.

Subsequent Events: As of the end of fiscal year 2011, an interim Chief Executive Officer was in place. A new Chief Executive Officer was named and joined the Organization effective December 1, 2011. Management has evaluated subsequent events through March 23, 2012 and has determined there are no other subsequent events to be reported in the accompanying financial statements.

3. Inventory:

Inventory as of June 30, 2011 consists of:

Materials	$ 73,084
Vacant land costs	1,751,983
Construction in progress	656,977
Houses for rehabilitation	328,484
Completed houses available for sale	523,204
	$ 3,333,732

Based on an analysis of cost and market value, during 2011 the Organization recorded an impairment loss totaling $186,817 on five properties.

4. Property and Equipment:

Property and equipment as of June 30, 2011 consists of:

Land	$ 101,000
Warehouse building	470,485
Warehouse improvements	48,982
Construction equipment	65,940
Transportation equipment	82,567
Office furniture and fixtures	72,482
Computer equipment and software	61,647
Capital lease equipment	23,533
	926,636
Less accumulated depreciation	398,263
Less accumulated depreciation capital lease equipment	18,826
	$ 509,547

5. First Mortgage Discounts:

The Organization discounts its interest-free mortgages to present value at the date the mortgage is given. As monthly payments are received, this discount is amortized and recognized as interest income. The original discounted amounts are reflected in the financial statements as “mortgage discounts” expenses in the year the mortgage is closed. The monthly amortization of the discount is recorded as “interest-mortgage loan discount amortization” income. At June 30, 2011, unamortized discounts were $4,203,300.

6. Subordinate Mortgages:

When the Organization sells houses, at least two non-interest bearing mortgages are extended to the buyer. The first mortgage is given for the sales price of the house. A second mortgage is given for the difference between the sales price and the fair market value established by an appraiser. For mortgages originated prior to 2010, the second mortgage is then forgiven by 5% per year on a 20-year mortgage and by 3.33% per year on a 30-year mortgage provided that the homeowner made all payments in full and on time during the 12 months preceding the anniversary of the mortgage. In the event the buyer sells the home prior to the full forgiveness of the second mortgage, the Organization, whose policy is not to recognize the discounted present value of these mortgages at the time they are given, recognizes as current revenue the amount received (see Note 5).

6. Subordinate Mortgages, Continued:

In 2010, all subsequent second and third mortgages offered to clients were changed from “forgivable” to “silent” mortgages which are not forgiven but require repayment at the time of default, sale or transfer of title and/or refinance. Once the first mortgage is paid off; 1) the 2nd/3rd mortgage could be paid off by the mortgage holder thus giving them clear title to the property or 2) the 2nd/3rd mortgage will remain in place as a lien on the property until default, sale or transfer of title and/or refinance. In addition, during 2010, the Special Warranty Deed was modified so that it now contains a shared appreciation provision whereby the Organization, having sold the property at no profit and financed with a no interest loan, has the right to share 50/50 in any appreciation realized at the time of closing. In the event the buyer sells the home prior to the full forgiveness of the second mortgage or pays off a silent second mortgage, the Organization, whose policy is not to recognize the discounted present value of these mortgages at the time they are given, recognizes as current revenue the amount received.

Certain buyers signed a second mortgage to Department of Housing and Community Development (DHCD), which covered the amount of closing costs paid on the buyers’ behalf. These mortgages are forgivable by DHCD over a five-year period. As of June 30, 2011, there were 27 mortgages to DHCD and 13 mortgages to other institutions. For the aforementioned buyers, the above referenced second mortgages are held as third mortgages by the Organization.

The Organization holds 193-second and third mortgages with face values totaling $5,227,628 for 2011.

7. Line of Credit:

The Organization entered into a loan and security agreement with Fulton Bank, N.A. related to a secured line of credit that may be borrowed, repaid and re-borrowed over the term of the line of credit in an amount not to exceed $750,000. The outstanding balance at June 30, 2011 was $722,500. The line of credit is collateralized by thirty-one mortgages held by the Organization, and accrues interest at a fluctuating rate as defined in the agreement based on the thirty-day London Interbank Offered Rate (LIBOR) plus 2.75%, but will never fall below 4% (4% at June 30, 2011). Principal and all outstanding interest is payable on demand.

The line of credit renews annually unless terminated by either party. Under the provisions of the agreement, the Organization is subject to certain specified financial and operating covenants. The Organization was not in compliance with all loan covenants as of June 30, 2011, but has received a waiver dated March 23, 2012 from Fulton Bank, N.A.

8. Notes Payable:

Notes payable consist of the following at June 30, 2011:

Installment note payable to Virginia Housing Development Authority, collateralized by assigned first mortgages receivable, requiring monthly payments of $2,264, including interest at 3%, maturing October 2017.	$	156,275
Installment note payable to Virginia Housing Development Authority, collateralized by assigned first mortgages receivable, requiring monthly payments of $598, including interest at 3%, maturing January 2021.		59,285
Installment note payable to Virginia Housing Development Authority, collateralized by assigned first mortgages receivable, requiring monthly payments of $1,027, including interest at 3%, maturing April 2021.		104,992
Five installment notes payable to Habitat for Humanity International, uncollateralized, requiring monthly payments of $1,826, at no interest, maturing from July 2012 to July 2017.		78,738
Installment note payable to Habitat for Humanity International, collateralized by assigned first mortgages receivable, requiring quarterly payments of $34,195, including interest at 6.5%, maturing December 2019.		888,168
Installment note payable to SunTrust Bank, collateralized by 2005 Mitsubishi FE84D, requiring monthly payments of $364 including interest at 7.10% maturing December 2013.		9,952
Installment note payable to Ford Credit, collateralized by 2009 Ford F-150, requiring monthly payments of $335 including interest at 6.99% maturing September 2014.		11,344
Installment note payable to Ally/GMAC, collateralized by 2009 GMC Sierra, requiring monthly payments of $307 including interest at 7.84% maturing May 2015.		12,129

8. Notes Payable, Continued:

Installment note payable to Habitat for Humanity International, collateralized by assigned first mortgages receivable, requiring monthly payments of $3,330, including interest at 3.0%, maturing December 2011.	$ 19,795
	1,340,678
Less amounts due within one year	154,694
Long-term notes payable	$ 1,185,984

At June 30, 2011, scheduled maturities on long-term debt for future years are as follows:

Year	Amount
2012	$ 154,694
2013	140,756
2014	152,427
2015	157,932
2016	156,623
thereafter	578,246
	$ 1,340,678

9. Operating Leases:

The Organization leases certain equipment and office space under various operating lease agreements. These lease terms expire over the next two years, and certain leases contain renewal options. The Organization recognizes rent expense on a straight line basis over the life of the related lease. Rental expense was $50,079 for 2011.

Year	Amount
2012	$ 45,180
2013	43,800
	$ 88,980

10. Capital Lease:

The Organization entered into a computer lease payable with The Equipment Leasing Company, requiring monthly payments of $494, including interest at 6.9%, maturing June 2012. The cost of equipment under capital lease, net of accumulated depreciation amounted to $4,707 as of December 31, 2011 and $9,413 as of December 31, 2010. The future minimum lease payments under the capital lease are $5,667 including $182 in interest. Present value of minimum lease payments is $5,485 as of June 20, 2011.

11. Retirement Plan:

The Organization has an employee retirement plan under Section 403(b) of the Internal Revenue Code. The plan provides for salary reduction contributions by eligible participants, subject to certain limitations, and 3% Organization matching contributions. The Organization made contributions to the plan of $19,567 for 2011.

12. Land Sales

The Organization previously acquired two tracts of land with the intention of developing the property. Due to rezoning difficulties encountered, the Organization determined that they would not be able to develop the land. Based on this conclusion, the Organization sought an independent developer to purchase and develop the property.

On October 25, 2004, the Organization entered into an agreement of purchase and sale, whereby the Organization agreed to sell and convey all rights and title to land comprising of 36 individual lots for the amount of $36,000. Within this agreement is a pledge of cash donations on development. The buyer agreed to make a cash donation to the Organization equal to $5,000 per lot that becomes “buildable” (meets applicable zoning requirements and is not located in wetlands or a HUD designated flood zone) and approved for use and development by the County of Henrico for single family use. In accordance with this agreement, under certain conditions, the Organization may not receive any donations from the developer.

Also on October 25, 2004, the Organization entered into a second agreement of purchase and sale, whereby the Organization agreed to sell and convey all rights and title to land in the amount of $75,000. Within this agreement is a pledge of cash donations on development. The buyer agreed to make a cash donation to the Organization equal to $2,500 per lot that becomes “buildable” (meets applicable zoning requirements and is not located in wetlands or a HUD designated flood zone) and approved for use and development by the County of Henrico for single family use. In accordance with this agreement, under certain conditions, the Organization may not receive any donations from the developer.

None of the land has become “buildable” as of June 30, 2011.

13. Commitments

During October 2009, the Organization entered a contract for infrastructure development for the Pillars at Oakmont project. The Organization paid $231,269 during 2011 towards this contract. The balance of $62,635 will be paid in fiscal year 2013 as the project is due to be completed.