RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

Financial Statements

June 30, 2012 and 2011

Keiter
Your Opportunity Advisors

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

www.keitercpa.com

RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

Table of Contents

Keiter
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, 2012, 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 summarized comparative information has been derived from the Organization's June 30, 2011 financial statements and, in our report dated March 23, 2012, we expressed an unqualified opinion on those financial 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, 2012 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

November 30, 2012
Glen Allen, Virginia

Certified Public
Accountants & Consultants
4401 Dominion Boulevard, 2nd Floor
Glen Allen, VA 23060
T:804.747.0000 F:804.747.3632

www.keitercpa.com

RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

Statement of Financial Position
June 30, 2012 with 2011 Comparative Totals

	Unrestricted	Temporarily Restricted	Totals 2012	Totals 2011
Assets				
Current assets:				
Cash and cash equivalents	$ 510,120	$ 36,593	$ 546,713	$ 131,059
Accounts receivable	39,493	-	39,493	66,975
Pledges and grants receivable	2,500	20,000	22,500	60,000
Inventory	2,334,016	843,944	3,177,960	3,333,732
Prepaid expenses	44,714	-	44,714	63,839
Mortgages receivable - current portion	725,966	-	725,966	692,527
Other current assets	16,052	-	16,052	13,267
Total current assets	3,672,861	900,537	4,573,398	4,361,399
Property and equipment, net	481,598	-	481,598	509,547
Other assets:				
Land for future development	19,009	108,991	128,000	410,009
Land not suitable for building	24,625	-	24,625	24,133
Escrow funds held by VHDA	71,004	-	71,004	64,865
Mortgages receivable - net of current portion and unamortized discount	4,409,962	-	4,409,962	4,387,179
Total other assets	4,524,600	108,991	4,633,591	4,886,186
	$ 8,679,059	$ 1,009,528	$ 9,688,587	$ 9,757,132

See accompanying notes to financial statements.

RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

Statement of Financial Position, Continued
June 30, 2012 with 2011 Comparative Totals

	Unrestricted	Temporarily Restricted	Totals 2012	Totals 2011
Liabilities and Net Assets				
Current liabilities:				
Line of credit	$ 630,000	$ -	$ 630,000	$ 722,500
Accounts payable	34,374	-	34,374	67,990
Notes payable - current portion	206,871	-	206,871	154,694
Accrued expenses	111,118	-	111,118	98,335
Escrow fund liability	106,506	-	106,506	110,543
Total current liabilities	1,088,869	-	1,088,869	1,159,729
Notes payable	1,809,103	-	1,809,103	1,185,984
Total liabilities	2,897,972	-	2,897,972	2,345,713
Net assets:				
Unrestricted	5,781,087	-	5,781,087	6,598,420
Temporarily restricted	-	1,009,528	1,009,528	812,999
Total net assets	5,781,087	1,009,528	6,790,615	7,411,419
	$ 8,679,059	$ 1,009,528	$ 9,688,587	$ 9,757,132

See accompanying notes to financial statements.

RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

Statement of Activities
Year Ended June 30, 2012 with 2011 Comparative Totals

		Temporarily	Totals	
	Unrestricted	Restricted	2012	2011
Support and revenue				
Support:				
Contributions:				
Corporations	$ 44,929	$ 77,947	$ 122,876	$ 359,059
In-kind	74,550	473,824	548,374	79,712
Government grants	-	68,687	68,687	385,648
Civic groups	43,540	43,581	87,121	49,358
Congregations	5,583	7,585	13,168	29,638
Individuals	45,658	19,768	65,426	59,127
Other grants	-	65,000	65,000	56,000
Total support	214,260	756,392	970,652	1,018,542
Revenue:				
Transfers to homeowners	1,130,107	-	1,130,107	566,412
Interest-mortgage loan discount amortization	463,934	-	463,934	541,342
ReStore income	587,925	-	587,925	573,866
Other income	137,280	-	137,280	129,106
Special events, net	13,897	-	13,897	6,006
Interest income	121	-	121	2,204
Total revenue	2,333,264	-	2,333,264	1,818,936
Total support and revenue	2,547,524	756,392	3,303,916	2,837,478
Net assets released from restrictions	255,130	(255,130)	-	-
Expenses:				
Program services	3,061,407	-	3,061,407	2,413,078
Supporting services:				
Managerial and general	473,535	-	473,535	403,370
Fundraising	85,045	-	85,045	96,663
Impairment loss	-	304,733	304,733	186,817
Total expenses	3,619,987	304,733	3,924,720	3,099,928
Change in net assets	(817,333)	196,529	(620,804)	(262,450)
Net assets at beginning of year	6,598,420	812,999	7,411,419	7,673,869
Net assets at end of year	$ 5,781,087	$ 1,009,528	$ 6,790,615	$ 7,411,419

See accompanying notes to financial statements.

RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

Statement of Functional Expenses
Year Ended June 30, 2012 with 2011 Comparative Totals

	Program Services	General and Administrative	Fundraising	Totals 2012	Totals 2011
Salaries and benefits	$ 735,487	$ 259,621	$ 66,828	$ 1,061,936	$ 1,179,177
Building materials, supplies, and land	1,441,331	-	-	1,441,331	750,023
Mortgage discounts	447,784	-	-	447,784	255,548
Other	53,009	126,092	2,795	181,896	339,561
Interest	105,615	2,082	-	107,697	95,870
Office supplies	8,588	3,077	816	12,481	11,034
Rent and occupancy	72,923	28,833	7,312	109,068	108,413
Insurance	30,643	24,237	91	54,971	62,745
Depreciation	53,692	-	-	53,692	49,471
Printing, postage and advertising	23,199	2,390	5,180	30,769	34,836
Repairs and maintenance	73,452	23,328	738	97,518	14,734
Travel and conferences	15,684	3,875	1,285	20,844	11,700
Total	$ 3,061,407	$ 473,535	$ 85,045	$ 3,619,987	$ 2,913,111

See accompanying notes to financial statements.

RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

Statement of Cash Flows
Year Ended June 30, 2012 with Comparative Totals for 2011

	2012	2011
Cash flows from operating activities:		
Change in net assets	$ (620,804)	$ (262,450)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	53,692	49,471
Donated inventory	(76,174)	(147,050)
Mortgage loan discount amortization	(463,934)	(541,342)
Net value of mortgages issued	(381,695)	(230,144)
Proceeds from mortgages	789,407	868,230
Changes in operating assets and liabilities:		
Accounts receivable	27,482	(48,990)
Pledges and grants receivable	37,500	(27,500)
Inventory	209,223	(929,895)
Prepaid expenses	19,125	(46,864)
Other current assets	(2,785)	(946)
Escrow funds held by VHDA	(6,139)	5,454
Land for future development - impairment loss	282,009	-
Completed houses available for sale - impairment loss	22,723	186,817
Land not suitable for building	(492)	(528)
Accounts payable	(33,616)	(102,984)
Accrued expenses	12,783	1,462
Escrow fund liability	(4,037)	10,176
Net cash used in operating activities	(135,732)	(1,217,083)
Cash flows from investing activities:		
Purchase of property and equipment	(25,743)	(1,452)
Net cash used in investing activities	(25,743)	(1,452)
Cash flows from financing activities:		
Proceeds from notes payable	1,062,000	562,500
Principal payments on capital lease	(5,667)	(4,949)
Principal payments on notes payable and line of credit	(479,204)	(126,960)
Net cash provided by financing activities	577,129	430,591

See accompanying notes to financial statements.

RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

Statement of Cash Flows, Continued
Year Ended June 30, 2012 with Comparative Totals for 2011

	2012	2011
Net change in cash and cash equivalents	$ 415,654	$ (787,944)
Cash and cash equivalents, beginning of year	131,059	919,003
Cash and cash equivalents, end of year	$ 546,713	$ 131,059
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	$ 100,188	$ 95,869

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 2012 and 2011.

Grants receivable were $20,000 as of June 30, 2012 and $60,000 as of June 30, 2011. Pledges receivable were $2,500 as of June 30, 2012 and $0 as of June 30, 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, 2012 and 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, 2012 and 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 donated land of $472,200 during 2012. The Organization received $74,550 during 2012 and $79,262 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 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, 2012 and 2011. The Organization's income tax returns for years since 2009 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 $24,489 for 2012 and $10,327 for 2011.

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

Subsequent Events: Management has evaluated subsequent events through November 30, 2012, the date the financial statements were available to be issued, and has determined there are no subsequent events to be reported in the accompanying financial statements.

3. Inventory:

Inventory consists of the following as of June 30:

	2012	2011
Materials	$ 71,239	$ 73,084
Vacant land costs	1,891,396	1,751,983
Construction in progress	575,722	656,977
Houses for rehabilitation	202,594	328,484
Completed houses available for sale	437,009	523,204
	$ 3,177,960	$ 3,333,732

Based on an analysis of cost and market value, the Organization recorded an impairment loss totaling $304,733 during 2012 on three properties and an impairment loss totaling $186,817 during 2011 on five properties.

4. Property and Equipment:

Property and equipment consists of the following as of June 30:

	2012	2011
Land	$ 101,000	$ 101,000
Warehouse building	470,485	470,485
Warehouse improvements	48,982	48,982
Construction equipment	65,940	65,940
Transportation equipment	100,878	100,878
Office furniture and fixtures	55,961	54,171
Computer equipment and software	84,684	61,647
Capital lease equipment	23,533	23,533
	951,463	926,636
Less accumulated depreciation	446,332	398,263
Less accumulated depreciation capital lease equipment	23,533	18,826
	$ 481,598	$ 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. Unamortized discounts were $4,187,150 at June 30, 2012 and $4,203,300 at June 30, 2011.

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. There were 10 mortgages to DHCD and 26 mortgages to other institutions as of June 30, 2012 and 27 mortgages to DHCD and 13 mortgages to other institutions as of June 30, 2011. For the aforementioned buyers, the above referenced second mortgages are held as third mortgages by the Organization.

The Organization holds 220-second and third mortgages with face values totaling $4,808,564 for as of June 30, 2012 and 193-second and third mortgages with face values totaling $5,227,628 for as of June 30, 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. There was an outstanding balance of $630,000 at June 30, 2012 and $722,500 at June 30, 2011. 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, 2012 and 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, 2012, but has received a waiver dated November 30, 2012 from Fulton Bank, N.A.

8. Notes Payable:

Notes payable consist of the following at June 30:

	2012	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.	$ 133,483	$ 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.	53,827	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.	95,687	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.	65,370	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.	598,650	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.	6,199	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.	8,033	11,344

8. Notes Payable, Continued:

	2012	2011
Installment note payable to Ally/GMAC, collateralized by 2009 GMC Sierra, requiring monthly payments of $307 including interest at 7.84% maturing May 2015.	$ 9,535	$ 12,129
Installment notes payable to Virginia Housing Development Authority, collateralized by assigned first mortgages receivable, requiring monthly payments of $7,338, including interest at 3%, maturing from December 2026 to June 2027.	1,045,190	-
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
	2,015,974	1,340,678
Less amounts due within one year	206,871	154,694
Long-term notes payable	$ 1,809,103	$ 1,185,984

At June 30, 2012, scheduled maturities on long-term debt for future years are as follows:

Year	Amount
2013	$ 206,871
2014	206,518
2015	207,509
2016	205,982
2017	211,521
thereafter	977,573
	$ 2,015,974

9. Operating Leases:

The Organization leases certain equipment and office space under various operating lease agreements. These lease terms expire over the next year, 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 $50,085 for 2012 and $50,079 for 2011. The future minimum lease payments under the operating leases are $45,432 for 2013.

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 $0 as of June 30, 2012 and $4,707 as of June 30, 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 Organization matching contributions. The Organization made contributions to the plan of $13,981 for 2012 and $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.

12. Land Sales, Continued

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, 2012 and 2011.

13. Commitments

During October 2009, the Organization entered a contract for infrastructure development for the Pillars at Oakmont project. The Organization paid $0 during 2012 and $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.