

Section 4 -- Project Application: 2010 Funding Cycle

Applicants must submit completed proposals according to the instructions. Failure to do so may render your application ineligible. Applications must be typed in the format on the application provided.

Project Title: Kittitas County Habitat for Humanity - House 11

Project Site Name: House 11

Project Site Address: XXX 5th Street, Lot 16, Roslyn, WA 98941

Total Project Costs: \$108,628 cash plus \$62,500 in volunteer labor – TOTAL \$171,128

Grant Amount Requested: \$100,000

City, Town or Unincorporated Area to be served: Roslyn, WA

Name of Applicant/Agency: Kittitas County Habitat for Humanity

Federal Tax ID# 91-1595008

Address of Applicant/Agency: P.O. Box 873, Ellensburg, WA 98926

Name of Contact Persons:	Kathy Matlin	Title: Board President
	Sherri Ott	Title: Affiliate Coordinator

Email address: ehabitat@fairpoint.net **Phone:** 509-962-5058 **Fax:** N/A

Name and Title of Authorized Representative:

Acceptance of this application may be subject to subsequent compliance reviews, including a review of the latest audit of financial statement. Preparation of an application does not guarantee that applicants will receive funds. By signing this grant application form the undersigned certifies that all information is accurate to the best of his/her knowledge.



Signature of Authorized Representative

Katherine R. Matlin, Board President

03/01/10

Date

Kittitas County Homelessness and Affordable Housing Grant Application

2010 Funding Cycle

Responses of Kittitas County Habitat for Humanity

Section I. Project Questions

1. Project Title: House 11

2. Project Summary (Provide one to two paragraphs summarizing your project and how it will strengthen or enhance the continuum of affordable housing options in Kittitas County.)

House 11 will enhance the continuum of affordable housing options in Kittitas County by:

- Making permanent, simple, decent, home ownership affordable to a very low-income Kittitas County family making 50% or less of the median family income for Kittitas County.
- Engaging one Kittitas County family of four in 350 to 500 hours of "sweat equity" in the building process, increasing their self-esteem and pride of ownership.
- Furthering the goal of Kittitas County Habitat for Humanity to build two such homes in our county each year, qualifying the affiliate for financial savings on future house projects.
- Enlisting 350 community volunteers in 3,500 hours of direct involvement valued at approximately \$62,500 to provide affordable housing.
- Increasing and enhancing the awareness of 1,100 highly motivated Kittitas County citizen donors or volunteers regarding homelessness and the need for affordable housing in Kittitas County.

3. Priorities (How does this project respond to the Affordable Housing Grant Program Priorities for 2009? Describe how this project fills an unmet need):

Kittitas County Habitat for Humanity House 11 addresses Priority #1, a) which states, "Preserve and expand existing affordable housing stock through acquisition or rehabilitation."

The project will expand the existing affordable housing stock by one simple, decent family home and will permanently remove approximately 4 persons from the roles of Kittitas County's homeless population. The project does this through new construction rather than acquisition or rehabilitation. New construction is more economical and efficient in that it allows Habitat for Humanity to schedule extensive volunteer community labor valued at \$62,500, and to establish predictable cost forecasts which are more difficult in rehabilitation of existing structures.

4. Preferences (Briefly describe how your project meets one or more of the criteria listed under Section E of the Affordable Housing Program Guiding Principles):

Habitat for Humanity is contributing \$62,500 in in-kind volunteer labor to this project. This total includes 350 to 500 volunteer hours contributed by the partner family. If this proposal is fully funded, Habitat will also raise additional supporter contributions of \$8,600.

- **The project's leverage of other funds.**

Kittitas County support of the Habitat House 11 will enhance and increase Habitat for Humanity's ability to solicit funds from foundations, corporations, businesses, and individual donors through increased project visibility and confirmed public confidence in Habitat's organizational capacity. In addition, Habitat will move closer to its goal of constructing two houses per year in Kittitas County. Once this goal is reached, KCHFH will qualify for subsidized materials gifts and capacity building grants through Habitat for Humanity International.

- **The project's following of "housing first" guidelines**

Habitat House 11 provides a permanent simple, decent and affordable housing for a family. Each Habitat home increases the supply of housing for homeless persons by moving an average four-person family out of temporary or transitional housing into permanent home ownership, thereby making more temporary housing available for families or individuals who are currently homeless or in transition.

- **Whether the project increases housing options available for single persons and disenfranchised populations, as described in the "Gaps In Service" section of the Plan.**

Under "Gaps In Service", Housing, the Plan states "need stable living situation(s) in inexpensive, decent housing, either through low rent subsidized, or home ownership opportunities."

Each Habitat home provides an average four person family the opportunity to own a simple, decent, affordable home. This Habitat project will reduce the number of single and disenfranchised persons by providing permanent, stabilizing housing and educational services to that family. The trickle down affect is that home owning families are less likely to disintegrate under financial pressure. Children remain in the home, do better in school, and do not become "couch surfers." Through Habitat's educational programs, adults learn to manage their financial affairs, take pride in themselves and their property, find support for developing their earning capacity, and are able to escape the cycle of generational poverty. Habitat partner families live in economically mixed neighborhoods where social norms and expectation of personal responsibility and citizenship are supported, lessening the likelihood that family members will return to homelessness.

- **How the project sustains or makes use of existing resources.**

Habitat Home House 11 makes use of the following existing resources: 1) building lot in Roslyn, Washington; 2) 350 community volunteers willing to donate 3,500 hours of skilled and unskilled labor; 3) \$8,600 in cash donations from local individuals, businesses, and organizations.

5. Creativity/Innovation (Describe any creative or innovative aspects of this project. How is it different or unique? Include information about project partners/collaborations):

The Habitat for Humanity project is creative and unique in the following ways:

- a. Each project involves the selected partner family in 350 to 500 hours of “sweat equity” labor on their home. Working alongside community volunteers, the partner families develop knowledge of the structure of their home, take pride of ownership in the structure and property, develop relationships with their neighbors and receive education from Habitat regarding family finance, insurance and other home owner issues.
- b. The home is purchased by the partner family at an affordable price through a no-interest, 20 - 25 year mortgage featuring a shared equity provision designed to maintain the home in the affordable housing pool for 20 - 25 years. Funds received are returned to Habitat to fund future house projects for other partner families.
- c. Each project motivates and engages many Kittitas County citizens as volunteers. Citizens are informed about the need for sustainable, simple, decent and affordable housing. Volunteers develop a personal relationship with the partner families as they work side by side, dispelling many myths and misconceptions about low income people, their work ethic, and willingness to sacrifice for the opportunity of home ownership.
- d. Habitat Partner Families are educated in the economic and practical fundamentals essential for home ownership including fiscal management, home maintenance and repair, and issues specific to each family. The partner relationship provides the homeowners with a community of skilled and supportive persons who help the partner families exercise their new knowledge and skills.
- e. Habitat House 11 will be built to meet or exceed Evergreen Sustainable Development Standards. These standards promote building that is cost effective to build and durable and practical to maintain. The houses are high-quality, have healthy living environments that lower residents' and owners' utility costs, enhance residents' connection to nature, protect the environment and reduce energy use.

Section II. Funding Questions

Please respond to the questions in this section about the specific project to be funded.

1. Affordable Housing Funds (What will the Affordable Housing grant award funds be used for? Be as specific as possible):

The funds will be used to partially defray the cost of building Habitat House 11 in Upper Kittitas County. A complete, itemized list of expenses of this project is located in the attached budget.

2. Other Funds (What funding for this project have you already secured? What in-kind donations have been received? What other grants are you applying for?):

Habitat for Humanity applied for a grant from U.S. Bank and received \$3000 in undesignated funds. Skilled and unskilled labor by community volunteers has been pledged valued at \$62,500. No grants specific to this project have been submitted.

3. Sustainability (Discuss how this project will be sustained after the Affordable Housing funds are exhausted.)

If full grant funding is provided, the project will go forward as scheduled. After the grant funds are expended, at the close of the project, Habitat will follow its established practice of turning to donors who have pledged to cap each project with a designated finishing donation. These funds will be sufficient to complete the project.

4. Timeline (Provide a very specific calendar for the expenditure of the Affordable Housing funds, including important project milestones):

The building project is scheduled to begin site preparation in September 2010 and will proceed following the typical construction pattern for nine months. The home is scheduled for completion in June 2011. Once word is received that this grant has been awarded, Kittitas County Habitat for Humanity will begin the Family Selection Process for this home (April 2010 – June 2010), followed by a period of family-specific Home Design (July 2010- August 2010) Permitting of that plan and site preparation will be the first phase of actual construction (September 2010 – October 2010) and actual construction (November 2010 – June 2011). Grant funds will be expended as materials are purchased for each phase of construction.

5. Partial Funding (If this project were to receive only partial funding from the Affordable Housing Grant Program, how would the funds be used? How would the project be impacted?):

Kittitas County Habitat for Humanity proceeds on a pay as we go basis. If we receive partial funding the project will be subject to slow down as the funds needed for the next phase of construction are raised from grantors, corporations and individual donors. The time line will be

lengthened to allow for this fundraising.

6. Other (Is there anything else that would be helpful for the committee to know in evaluating this application?):

In many areas of Washington State, Habitat for Humanity has partnered with county governments to add to the stock of available affordable housing through grants similar to the one proposed here. Kittitas County Habitat for Humanity has the opportunity, through this process, to dramatically increase the number of affordable housing units it can build each year, including expansion into Upper County. The goal of Kittitas County Habitat for Humanity is to build two affordable, decent homes to be purchased by very low-income families each year. Funding this proposal will rapidly move KCHF in that direction.

Section III Agency Questions

1. Background/History (Please give a brief background and/or history of the applicant organization):

In the early 1990's, a small group of like-minded individuals from the Ellensburg area recognized a need for affordable housing within the county. At the time, Kittitas County consisted of approximately 27,000 individuals, nearly 20% living below the poverty level. A grass roots movement started by these volunteers was the beginning of a formal Habitat for Humanity affiliate in the Kittitas Valley of Washington. In 1993, Habitat for Humanity/Ellensburg Area (HFHEA) was established as an official affiliate of Habitat for Humanity International.

"The Mission of HFHEA was to work in partnership with God, churches, business, organizations, community members, volunteers, and God's people in need to support the covenants and values of Habitat for Humanity International. Together we will fund, build, rehabilitate, and advocate for decent affordable housing for all residents in the Ellensburg Washington area."

In 2009, the Core program and mission of Habitat for Humanity was reviewed by the Board of Directors. The following were affirmed:

"Building homes alongside hard working, low-income families in Kittitas County is our purpose and our core program."

"The mission of Kittitas County Habitat for Humanity is to create decent, affordable, sustainable home ownership for qualifying families in Kittitas County. From providing home owner education to our past, present and future partner families; to operating a Restore; to advocating for low income housing; to building houses; all of our affiliate's activities revolve around this central core program."

In addition, the affiliate set as its ambitious goal the building of two houses per year and expansion of service area to Upper as well as Lower Kittitas County. With this in mind, the name of the affiliate was changed to **Kittitas County Habitat for Humanity**.

2. Qualifications (Describe your organizations' ability and qualifications to complete the project you are requesting to be funded, including any experience you have in managing public funds):

Kittitas County Habitat for Humanity has successfully built eight houses and is in the process of working on House 9 as it seeks to provide a decent house in a decent community for all people in need. Habitat uses volunteer labor and donations to build simple homes with those in need. These homes were sold at no profit and with no interest to people in the affiliate's region who needed an adequate place to live. Habitat is not a hand out, it is a hand up! In September, 2009, KCHFH received a grant of \$100,000 for the building of Habitat Home 9. The organization has managed those public funds in a conscientious and appropriate manor.

Section IV Financial Information

1. What percent of your total agency budget does this request represent?

The total FY09-10 projected organizational budget is \$232,610 of which \$170,110 is cash and \$62,500 in-kind. The budget reflects the fact that actual building costs are by far the primary budget items for this agency which functions almost completely on volunteer labor. This \$100,000 project request represents 42.9% of the FY 09-10 total budget and 58.7% of the cash only budget.

2. What percent of the total project budget does this request represent? (For Capital requests, what percent is it of the overall project budget? For O&M requests, what percent is it of the annual O&M budget?):

Total Project Budget for Habitat for Humanity Home 11 is \$171,128. This request for \$100,000.00 represents 58.4% of the total project budget.

3. Please provide project budgets with line items for expenses and income. Be as specific as possible, itemizing where appropriate.

Please see Budget attached. Time line for these project expenditures follows the building process. The home is scheduled to be started in September 2010 and will be completed in June 2011. Fundraising will be continuous throughout the build with a traditional capping solicitation to pledging donors at the conclusion of construction.

4. How much administrative cost is included in this application?

Total Administrative cost for Habitat for Humanity House 11 is \$5178 or 3% of the total project budget. This figure represents 33% of the Affiliate Coordinator's annual part-time employment costs during the Project fiscal year 2009-2010. The Coordinator is the only paid employee of Kittitas County Habitat for Humanity.

Project Budget

HOUSE 11 BUDGET

CONSTRUCTION COSTS

	Cash	Labor	Total House Cost
Startup	\$500.00		
Plans/permits/hookups	\$15,000.00		
Site Preparation	\$6,200.00		
Foundation	\$3,000.00		
Framing	\$8,000.00		
Roofing	\$4,000.00		
Exterior doors/windows	\$4,500.00		
Exterior Finish	\$3,250.00		
Electrical	\$8,750.00		
Plumbing/Heating	\$3,500.00		
Insulation	\$3,500.00		
Drywall	\$1,700.00		
Interior Finish	\$1,500.00		
Flooring	\$1,500.00		
Interior Doors	\$900.00		
Cabinets/Counters	\$3,100.00		
Appliances	\$1,700.00		
Landscaping	\$1,000.00		
Insurance & Tel & Utilities	\$450.00		
Administrative & Other	\$5,178.00		
Sanican	\$400.00		
Land	\$30,000.00		
Partner Family Allowance	\$1,000.00		
Total	\$108,628.00	\$62,500.00	\$171,128.00

Section 5 -- Certification of Consistency with Local Plans

I certify that the proposed activities/projects in the application are consistent with the jurisdiction's local plans and policies.

Project Title: House 11

* To be determined through City of Roslyn Application + Permit Process - Meets Zoning Req.

Applicant/Agency Name: Kittitas County Habitat for Humanity

Address of Project: XXX 5th Street (Lot 16) Roslyn
Tax Account # 20-15-17055-0216

Name of Certifying Jurisdiction (Kittitas County or incorporated city/town in Kittitas County): Roslyn

Certifying Official of the Local Jurisdiction

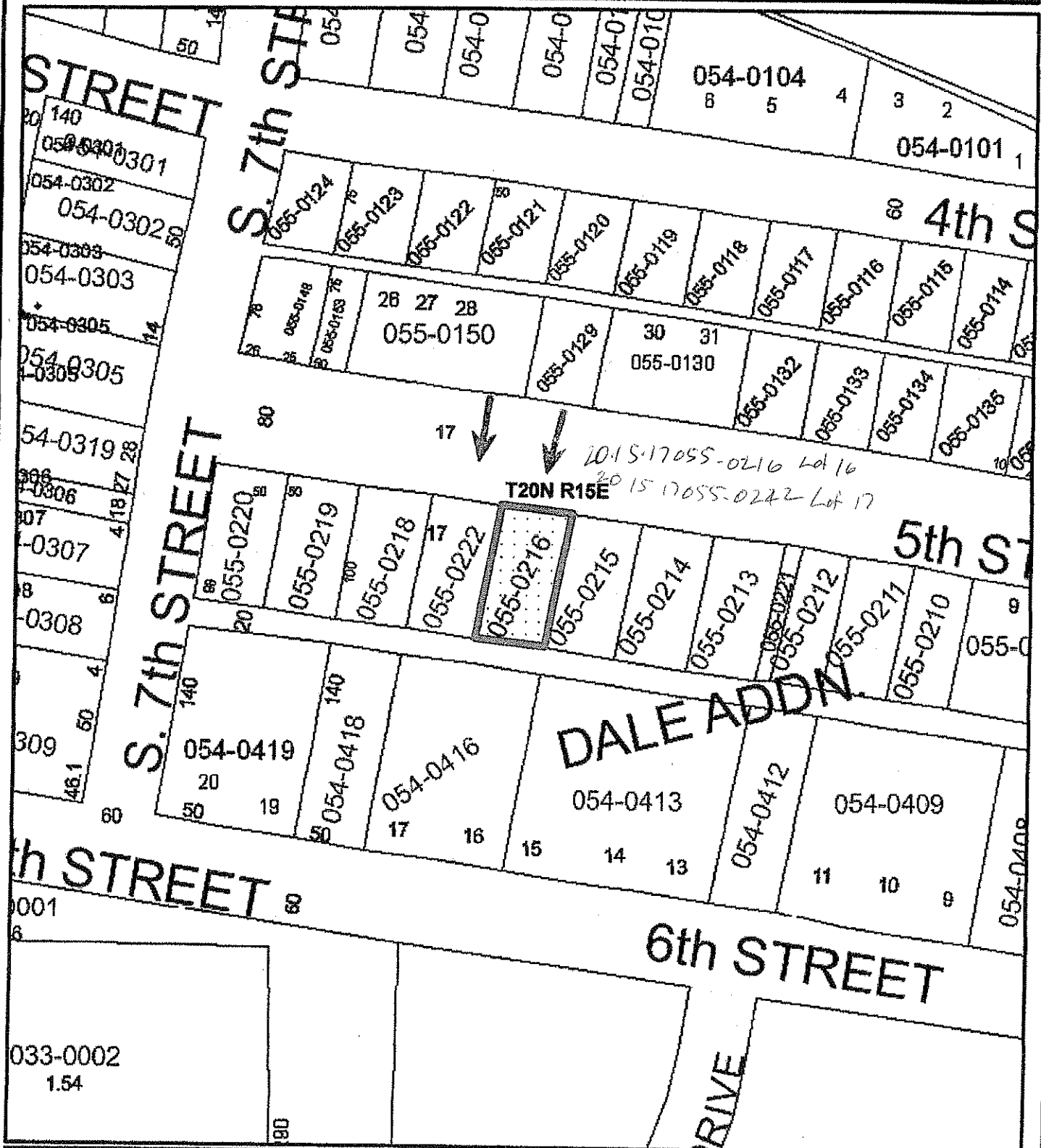
If the application involves a housing project, it is the applicant's responsibility to ensure that the project is consistent with all building and zoning codes and the comprehensive plan of the relevant local jurisdiction (either an incorporated city/town, or Kittitas County for projects in the unincorporated county). The applicant must have the relevant City Manager or Community Development Director complete the following section and sign below as the Certifying Official.

Name: George Martinez

Title: City Administrator

Signature: 

Date: 2-26-10



Legend

Tax Parcels
 Rights of Way

Townships
 Sections

Scale = 1:1,200
1 inch = 100 ft

Map Center: Township: 20 Range: 15 Section: 17

Disclaimer:
 Kititas County makes every effort to produce and publish the most current and accurate information possible. No warranties, expressed or implied, are provided for the data provided, its use, or its interpretation. Kititas County does not guarantee the accuracy of the material contained herein and is not responsible for any misuse or representations by others regarding this

6/15/2009

Vacant Land Agent Detail Report

Listings as of 02/22/10 at 11:28am

LN: 29085460 XXX 5th Street (Lot 16) Roslyn 98941 Kitt ST:Active CDOM: 252 LP: 44,000



LT: 16 BLK: 2 COM: Roslyn PRJ: Date Add

AR: 948 TAX: 909334 OPLS: 49,000
 MAP:5 GRD: K-18 Internet: Yes FIN: SP\$:
 DD: SR 903 to Roslyn, Left on Pennsylvania. Follow past Roslyn Cafe and up slight hill. Pennsylvania will dead end into Fifth street, follow to Right. Lots on left toward end of street. OMD:
 LD: 06/15/09
 XD:
 SLD: 00/00/00

LO: John L. Scott Real Estate CLM (ID: 9684) Phone: 509-674-4495 SOC: 3

LAG: Loretta M Sweigard (ID: 37509) Phone: 509-674-8339

CLO: John L. Scott Real Estate CLM (ID: 9684) Phone: 509-674-4495

CLA: Garry Gellner (ID: 30269) Phone: 509-674-8150 PTO: Yes F17: Provided

OTVP: OCC: OWN: Moroles

OPH: 509-304-8082 OAD: Ronald, WA PHO:
 8082

POS: Closing Agt Fax: 509-674-9799

TXY: 2009 TX: 387 SNR: No ATF:
 TRM: Cash Out, Conventional

TER: STY: 40-Res-Less thn 1 Ac

ZJD: City RS2: Unknown SKS: Y QTR: SEC: see legal description

ZNR: WRJ: City of Roslyn

GZC: Residential

ACR: 0.115 LSF: 5000 LSZ: WFG:
 DOC: LDE: Alley, Paved Street
 WFT:
 VEW: Mountain, Territorial
 RD: north RDI: County Maintained, Paved
 IMP:
 FTR: Brush, Partially Cleared
 TPO: Level, Sloped SLP: LVL:
 Community Features: CCRs, Clubhouse

WTR: In Street, Available SFA: ESM:
 GAS: Not Available STD: SUR:
 ELE: In Street SEP: SDA: SST:
 SWR: In Street SAP: SDD: SDX:

SD: Cle Elum-Roslyn EL: JH: SH:
 3rd Party Approval Req: None Bank/REO Owned Y/N: No

Marketing Remarks: Building lot in Roslyn that is priced to sell!! 50 x 100 feet in the heart of town. The adjacent lot is also available, see MLS #29085847. Hookups for city water and sewer available. Motivated seller, bring offers!!

Presented By: Marc Rich / Windermere Real Estate CleElum
 Information From Reliable Sources, But Not Guaranteed

02/23/10

Kittitas County Habitat for Humanity

Statement of Income and Expenses

January 2010

	Jan 10
Income	
4100 · Contributions	
4101 · Individual	
4101.1 · Undesignated (Individual)	385.00
4101.5 · Designated -Builders Club (Ind)	100.00
4101.6 · Designated - Building (Ind)	150.00
Total 4101 · Individual	635.00
Total 4100 · Contributions	635.00
4104 · Grants	10,771.91
4200 · In-kind Contributions	
4201 · Individuals	
4201.1 · Materials	273.82
4201 · Individuals - Other	1,076.93
Total 4201 · Individuals	1,350.75
4202 · Businesses	
4202.1 · Materials	4,184.01
4202.2 · Services	600.00
Total 4202 · Businesses	4,784.01
4203 · Organizations	
4203.1 · Materials	454.00
Total 4203 · Organizations	454.00
Total 4200 · In-kind Contributions	6,588.76
4700 · Other Income	
4706 · Interest Income	0.84
Total 4700 · Other Income	0.84
4800 · Restore Sales	1,660.80
Total Income	19,657.31
Expense	
5001 · Salary and Wage Expense	
5010 · Salary & Wages	812.50
5050 · Payroll Taxes	83.89
Total 5001 · Salary and Wage Expense	896.39
5235 · Mortgage loan servicing fees	3.00
5330 · Professional Fees	15.00
5470 · Office Rent	350.00
5471 · Utilities	112.63
5472 · Telephone Fax Internet	71.40
5510 · Office Supplies	509.14
5520 · General Supplies	208.51
5540 · Postage and Freight	8.05
5675 · Tithe	63.50
5920 · Restore expenses	
Sales Tax	169.05
Advertising	76.80
Miscellaneous	30.50
5920 · Restore expenses - Other	8,209.86
Total 5920 · Restore expenses	8,486.21
Total Expense	10,723.83
Net Income	8,933.48

JAMES W. McKEAN

Certified Public Accountant

To the Board of Directors
Habitat for Humanity
Ellensburg Area
Ellensburg, Washington

110 E. Fourth Ave.
Ellensburg, WA 98926
(509) 962-9799
Fax (509) 925-4750

125 E. First, Suite #1
Cle Elum, WA 98922
(509) 674-4241
Fax (509) 674-3751

I have reviewed the accompanying statements of financial position of Habitat for Humanity Ellensburg Area (a non-profit corporation) as of June 30, 2009 and 2008, and the related statements of activities and net assets and cash flows for the years then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of management of Habitat for Humanity - Ellensburg Area.

A review consists principally of inquiries of Habitat for Humanity- Ellensburg Area personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

My review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying Schedules I and II is presented only for supplementary analysis purposes. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.



James W. McKean CPA
September 29, 2009

HABITAT FOR HUMANITY - ELLENSBURG AREA
Statements of Financial Position
June 30, 2009 and 2008

ASSETS

	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash - checking	\$23,700	\$33,736
Cash - savings	2,855	62,212
Cash - certificates of deposit	36,942	15,138
Petty cash	50	50
Account receivable	2,321	-0-
Retail account receivable	5,000	-0-
Investments	3,048	5,457
Construction in Progress	856	65,601
Non - interest bearing mortgage loans-current	16,303	12,043
Less discount - current	(8,703)	(6,566)
Restricted savings	<u>12,083</u>	<u>12,364</u>
Total current assets	<u>94,455</u>	<u>200,035</u>
OTHER ASSETS		
Non-interest bearing mortgage loans-deferred	256,568	170,465
Less discount - deferred	(140,163)	(97,605)
Land for development	<u>70,726</u>	<u>-0-</u>
Total other assets	<u>187,131</u>	<u>72,860</u>
Total assets	<u>\$281,586</u>	<u>\$272,895</u>

See Accountant's Review Report and Notes to Financial Statements

HABITATE FOR HUMANITY - ELLENSBURG AREA
Statements of Financial Position - continued
June 30, 2009 and 2008

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 2,956	\$ 5,847
Accrued Payroll	248	625
Escrow	3,568	2,352
Land contract - current	<u>681</u>	<u>-0-</u>
Total current liabilities	7,453	8,824

LONG - TERM DEBT	<u>23,168</u>	<u>-0-</u>
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NET ASSETS

Unrestricted	241,188	251,826
Unrealized loss on Securities	<u>(2,588)</u>	<u>(119)</u>
Total unrestricted net assets	238,600	251,707

Restricted	<u>12,365</u>	<u>12,364</u>
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Total liabilities and net assets	<u>\$281,586</u>	<u>\$272,895</u>
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See Accountant's Review Report and Notes to Financial Statements

HABITAT FOR HUMANITY - ELLENSBURG AREA

Statements of Activity and Net Assets

For the years ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Changes in net assets:		
Revenues		
Contributions	\$30,988	\$13,367
Other	85	1,678
Bequest	21,842	-0-
In - kind contributions	-0-	1,000
Transfer to homeowner		
Mortgage loan discount amortization	6,391	5,977
Interest and investment income	<u>2,822</u>	<u>3,113</u>
Total unrestricted revenue	<u>65,484</u>	<u>25,075</u>
Expenses:		
Program services		
Mortgage discount, loan servicing, title, education	57,583	11,095
Management and general	13,878	9,615
Fundraising	<u>4,661</u>	<u>4,416</u>
Total expenses	<u>76,122</u>	<u>25,126</u>
Increase (decrease) in net assets	(10,638)	(51)
Net unrestricted assets July 1, 2008 and 2007	251,826	251,877
Net unrestricted assets June 30, 2009 and 2008	<u>\$241,188</u>	<u>\$251,826</u>

See Accountant's Review Report and Notes to Financial Statements

HABITAT FOR HUMANITY ELLENSBURG AREA
Statements of Cash Flows
For the years ended June 30, 2009 and 2008

Operating Activities:	<u>2009</u>	<u>2008</u>
Increase (decrease) in net assets	\$(10,638)	\$ (51)
Adjustments:		
Transfer to homeowners	(3,356)	-0-
Mortgage loan discount amortization	(6,391)	(5,977)
Construction in progress	-0-	(64,475)
Mortgage discount expense	51,086	-0-
(Increase) Decrease in Accounts Receivable	(5,000)	550
(Increase) Decrease in escrow	1,217	(880)
(Decrease) Increase in accrued liabilities	<u>(3,268)</u>	<u>6,472</u>
Net cash from operations	<u>23,650</u>	<u>(64,361)</u>
Investing Activities:		
Restricted saving	281	-0-
Mortgage payments received (net)	11,575	11,004
Investment income reinvested (net)	(60)	445
Land held for development	(70,726)	-0-
Construction in progress	<u>(36,158)</u>	<u>-0-</u>
Net cash from investing activities	<u>(95,088)</u>	<u>11,449</u>
Financing Activities		
Land Contract payable	<u>23,849</u>	<u>-0-</u>
Net cash from financing activities	<u>23,849</u>	<u>-0-</u>
Net Increase (Decrease) in Cash	(47,589)	(52,912)
Cash July 1, 2008 and 2007	<u>111,136</u>	<u>164,048</u>
Cash, June 30, 2008		
Checking	23,700	\$33,736
Savings	2,855	62,212
Savings - CD's	36,942	15,138
Petty Cash	<u>50</u>	<u>50</u>
	<u>\$63,547</u>	<u>\$111,136</u>

See Accounts Review Report and Notes to Financial Statements

Habitat for Humanity - Ellensburg Area
Notes to Financial Statements
June 30, 2009 and 2008

Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Organization utilizes volunteers to acquire land and to construct affordable housing for qualified families located in the Ellensburg, Washington area.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Investments

The Organization classified its marketable debt and equity securities as available for sale. Securities classified as available for sale are carried in the financial statements at fair value. Realized gains and losses are included in earnings; unrealized gains and losses are reported as an element of unrestricted net assets.

Amortization

The discount on the non interest bearing mortgages is determined as the present value of future cash flows estimated by discounting the notes at the current market interest rate of similar mortgages. The discount is amortized using the straight line method over the life of the mortgages.

Income Taxes

The Organization is a non-profit corporation determined to be exempt from income taxes under Internal Revenue Code Section 501 (c) (3).

NOTE B - CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at two financial institution located in Ellensburg, Washington. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2009 and 2008 the Organization's uninsured cash balances total \$0.

Contributions and Grants Receivable

Contributions are generally recorded as received. Written unconditional grants or contributions are accrued as grants or contributions receivable and credited to revenues in the period authorized.

Restricted contributions are recorded as deferred revenue until the conditions of the restrictions are met. Once met deferred revenue is relieved and contributions are credited.

Distinctions are made with regard to restrictions on grants and contributions. Grants and contributions are classified as unrestricted temporarily restricted or permanently restricted. Based on historical performance no provision for losses has been made.

Construction in Process

Contributions of property and materials are debited to land inventory or construction in process at fair market value. Purchased land, materials and services are recorded at cost. Because a completed house is transferred to a financial asset account (mortgage receivable) when the house is sold the value of donated services is not recorded.

NOTE C - RESTRICTED SAVINGS ACCOUNT

The Organization is required to maintain a contractor's bond in order to conduct its continuing operations. The savings account was established for the purpose of self insuring the required bond. As such, the restriction on the account is considered permanent.

NOTE D - MORTGAGES

When a house is completed it is sold to a qualified family at cost. A non-interest bearing mortgage is executed and secured by the real estate. Concurrently a silent second mortgage is executed in an amount equal to the difference between the fair market value and the cost of the real estate. This is a recorded legal document and remains in force until the first mortgage is paid in full. Silent second mortgages are designed to prevent the homeowners from selling their homes at a profit before the first mortgage debt is satisfied and also to prevent refinancing to take out equity on the real estate. Silent second mortgages are not recorded on the books of the Organization nor presented in the financial statements.

NOTE E - LAND CONTRACT

The Organization purchased land for development and financed \$24,000.00 of the purchase price. The contract is collateralized by the land and bears an annual interest rate of 5.0% payable at \$160.00 per month for thirty five months. The loan matures on April 30, 2012 with a balloon payment due of \$ 21, 794.78.

Maturities are as follows:

July 1, 2010	\$680.99
July 1, 2011	779.30
April 30, 2012	<u>22,410.29</u>

NOTE F - ACCOUNTS RECEIVABLE

An escrow refund was receivable on the closing of the home sold on June 26, 2009 in the amount of \$2,320.57

The retail account receivable represents a gift card from the Lowe's Corporation in the amount of \$5,000.00 Any unused portion of the card will expire six months from the date of issue. As of June 30, 2009 no purchases had been made with the card.

SUPPLEMENTARY INFORMATION

HABITAT FOR HUMANITY - ELLENSBURG AREA
Schedule I
Statement of Functional Expenses
For the year ended June 30, 2008

	Program Services				Supporting	
		Credit	Mortgage		Management	Fund
		And	Servicing		and	
	Construction	Other		Total	General	Raising
Tithe	\$ 10,008			\$10,008		
Repairs	953			953		
Mortgages			\$ 93	93		
Office, Insurance, Salary					\$ 9,615	
Education, fee, Miscellaneous		\$ 41		41		\$4,416
Total	<u>\$10,961</u>	<u>\$ 41</u>	<u>\$93</u>	<u>\$11,095</u>	<u>\$9,615</u>	<u>\$4,416</u>

See Accountant's Review Report and Notes to Financial Statements

HABITAT FOR HUMANITY - ELLENSBURG AREA

Schedule II

Statement of Functional Expenses

For the year ended June 30, 2009

	Program Services				Supporting Services	
	<u>Construction</u>	<u>Credit and Other</u>	<u>Mortgage Servicing</u>	<u>Total</u>	<u>General</u>	<u>Fund Raising</u>
Tithe	\$ 3,675			\$ 3,675		
Dues		\$ 700		700	\$ 20	
Mortgage	51,086			51,086		
Office:						
Insurance and salary,					13,858	\$ 3,351
Education:						
Fees and Misc.	<u>1,557</u>	<u>565</u>		<u>2,122</u>		<u>1,310</u>
Total	<u>\$ 56,318</u>	<u>\$1,265</u>	<u>0</u>	<u>\$ 57,583</u>	<u>\$13,878</u>	<u>\$ 4,661</u>

See account's Review Report and Notes to Financial Statements

Organization Budget

Kittitas County Habitat for Humanity

Cash Basis Budget

Fiscal Year 2009-2010

	Annual In-Kind	Annual cash	Total
Cash Receipts:			
Contributions			
Individuals	\$ 500.00	\$ 1,430.00	\$ 1,930.00
Businesses	\$ 2,500.00	\$ 1,350.00	\$ 3,850.00
Organizations		\$ 800.00	\$ 800.00
Churches		\$ 1,700.00	\$ 1,700.00
Bequests			
Other			
Total Contributions	\$ 3,000.00	\$ 30,300.00	\$ 33,300.00
Restore Sales		\$ 10,000.00	\$ 10,000.00
Special events			
Grants:			
YVCF		\$ 10,000.00	\$ 10,000.00
U.S. Bank		\$ 3,000.00	\$ 3,000.00
Kittitas County 2060		\$100,000.00	\$100,000.00
Partner Mortgage pmts		\$ 15,500.00	\$ 15,500.00
Interest		\$ 1,800.00	\$ 1,800.00
Other:			
Total Receipts	\$ 3,000.00	\$175,880.00	\$178,880.00

Kittitas County Habitat for Humanity

(Organizational Budget Continued)

TOTAL EXPENDITURES

Cash Disbursements:	In-Kind	Annual Cash	Total
House 9 Construction		\$100,000.00	\$100,000.00
House 10 Construction		\$ 32,500.00	\$ 32,500.00
House 10 Land Paymts		\$ 2,000.00	\$ 2,000.00
Salary and wages		\$ 14,000.00	\$ 14,000.00
Payroll taxes		\$ 1,360.00	\$ 1,360.00
WorkersCompensation		\$ 175.00	\$ 175.00
Advertising (general)		\$ 250.00	\$ 250.00
Promotional Items			\$ 0.00
VolunteerAppreciation		\$ 1,000.00	\$ 1,000.00
Internet/Website			\$ 0.00
Mortgage Loan Servicing		\$ 600.00	\$ 600.00
Credit Checks		\$ 100.00	\$ 100.00
Family Support		\$ 500.00	\$ 500.00
Dues and membership		\$ 1,000.00	\$ 1,000.00
Professional Fees		\$ 1,500.00	\$ 1,500.00
Liability Insurance		\$ 1,400.00	\$ 1,400.00
Office Equipment			\$ 0.00
Office Rent		\$ 4,200.00	\$ 4,200.00
Office utilities		\$ 750.00	\$ 750.00
Telephone and internet		\$ 900.00	\$ 900.00
Office supplies		\$ 900.00	\$ 900.00
General Supplies			\$ 0.00
Postage	\$ 500.00	\$ 100.00	\$ 600.00

Post Office Box Rental	\$ 75.00	\$ 75.00
Newsletter	\$ 800.00	\$ 800.00
Tithe to HFHI	\$ 4,000.00	\$ 4,000.00
Education/training	\$ 300.00	\$ 300.00
Fundraising various expenses	\$ 100.00	\$ 100.00
Fundraising fees/costs	\$ 100.00	\$ 100.00
Restore Expenses	\$ 1,000.00	\$ 1,000.00
Truck Purchase		
Other expenses		
Total	\$ 500.00	\$169,610.00
Disbursements		\$170,110.00



Habitat for Humanity International

Building houses in partnership with God's people in need

June 3, 1993

Ted Ullman
1215 Cascade Way
Ellensburg Area HFH
Ellensburg, WA 98926

Dear Ted,

This letter will confirm that Ellensburg Area Habitat for Humanity has been added to the roster of exempt subordinates included in the group exemption letter of Habitat for Humanity International, Inc. ("HFHI") under section 501(c)(3) of the Internal Revenue Code, effective on June 1, 1993.

The enclosed copy of the group exemption letter received from the IRS (dated February 13, 1987) provides evidence of HFHI's group exemption. That letter, together with this letter which confirms your affiliate's exempt subordinate status, provide evidence of your tax exempt status under section 501(c)(3) of the code. Both of these letters should be retained as part of your affiliate's permanent records.

Also, we are enclosing for your information a sheet entitled "Affiliate Tax Return Reminders." Please note that a significant penalty may be imposed when a return is filed late. To assist in the consolidation of your affiliate's financial data with that of HFHI, we request that you use a calendar year accounting period (January 1-December 31).

The group exemption number assigned to HFHI by the IRS is 8545. This number may be provided to prospective donors, foundations, and other grant organizations as they request it, and is required on certain IRS forms.

In partnership,

Carol Gregory
Area Director, US

CG/ln

Enclosure

cc: Les Alford



August 28, 2009

Sherri Ott
Kittitas County HFH
PO Box 873
Ellensburg, WA 98926

Dear Sherri,

I have received your letter requesting permission to officially change your name from Habitat For Humanity/Ellensburg Area to Kittitas County Habitat For Humanity.

Please accept this letter as written authorization to use the name Kittitas County Habitat for Humanity subject to the following restrictions:

- (1) "Habitat for Humanity" is a service mark registered with the United States Patent and Trademark Office;
- (2) The use of the words "Habitat for Humanity" and other phrases including those words is a privilege granted by Habitat for Humanity International, Inc., a Georgia nonprofit corporation, to other corporations or organizations which have become or are in the process of becoming formally affiliated with Habitat for Humanity International, Inc., and which remain affiliates in good standing. If at any time your organization ceases to function as a Habitat for Humanity affiliate or if the affiliate status of your corporation or organization is ever terminated, this permission and authorization to use the name "Habitat for Humanity" or the name of other Habitat for Humanity programs in any way will be revoked.

Please be sure to notify other relevant business entities such as banks, creditors, insurance companies as well as your donors, volunteers, and homeowner partners of your new name. Also please have your attorney investigate whether or not your state law requires that the corporate name be changed on notes, deeds, and mortgages or if a "name change affidavit" should be filed. If this is required, failure to do so could affect the homeowners' and affiliate's interests.

Thank you for all you are doing to end poverty housing in your community.

In partnership,

A handwritten signature in black ink, appearing to read "Joe Gatlin".

Joe Gatlin
Director of Field Operations

Department of the Treasury

Internal Revenue Service
EP/EO Division
EO Group 7201
C-1130
Atlanta, GA 30301

Habitat For Humanity
International, Inc.
Habitat & Church Street
Americus, GA 31709-3498

Person To Contact:
Terry Williams
Telephone Number:
(404)331-0186
Refer Reply To:
EO:7201:NC
EIN:
58-1285159
Date: April 27, 1990

Dear Sir or Madam:

We have received the information that you have submitted in regards to your organization's change of name, from "Habitat For Humanity, Inc." to "Habitat For Humanity International, Inc." This information has been made a part of your file.

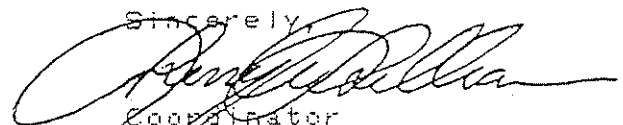
Your organization shall continue to be recognized as exempt under Sections 501(C)(03) and 170(b)(1)(A)(vi) of the Internal Revenue Code, effective as of March 1977. You may continue to rely on this exemption until it is modified, terminated or revoked by the Internal Revenue Service.

Please continue to let us know of any changes in the purpose, character, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

A copy of this letter should remain in your permanent records, as it may help resolve any questions about your exempt status.

Thank you for your cooperation.

Sincerely,



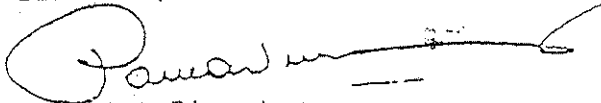
Coordinator
Exempt Organizations

The service center that processes your returns will send you a Group Exemption Number. You are required to include this number on each Form 990, Return of Organization Exempt From Income Tax, and Form 990-T, Exempt Organization Business Income Tax Return. Please advise your subordinates of this requirement and provide them with the Group Exemption Number.

Because this letter could help resolve any questions about your exempt status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely Yours

A handwritten signature in dark ink, appearing to read "Dawson", with a long horizontal flourish extending to the right.

District Director

KITTITAS COUNTY HABITAT FOR HUMANITY

BOARD MEMBERS

2010

President - Kathy Matlin
Vice-President – Colleen Griffith
Secretary – Lynne Whelan
Treasurer – Michael Whelan

- **Griffith, Chris**
Co-chair/Building Committee
1400 Radar Road
Ellensburg, WA 98926
Home: 509-925-7261
Cell: 509-607-1271
Affiliation: City of Ellensburg
griffithc25@yahoo.com
blueskyfarm@eburg.com
- **Griffith, Colleen**
Board Vice-President/ Chair of Family Services Committee
1400 Radar Road
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Cell: 509-607-1270
blueskyfarm@eburg.com
Affiliation: Central Washington University
- **Kirkpatrick, Marc**
Chair of Resource Development Committee
404 West 2nd Street
Cle Elum, WA 98922
Home: 509-674-3918
Cell: 425-829-5351
mkirkpatrick@encompasses.net
Affiliation: Encompass Engineering and Surveying
- **Later, Peter**
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Cell: 425-941-0838
wildhaven001@fairpoint.net
Affiliation: Wildhaven Construction
- **LaValley, Jeff**
Co-chair Building Committee
650 Robinson Canyon Road
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Home: 509-925-7209

Cell: 509-312-0606
Work: 509-972-7209
jlavalley@fairpoint.net
Affiliation: L-Squared Insulation

- **Little, Suzanne**
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51 Saddlerock Drive
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Home: 509-962-1101
littles@cwu.edu
Affiliation: Central Washington University
- **Mace, Kimberly**
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Work: 509-962-7458
kimberly.mace@usbank.com
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- **Matlin, Kathy**
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kmatlin@fairpoint.net
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- **Whelan, Lynne**
Board Secretary/Family Services Committee
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lynne.whelan@gmail.com
- **Whelan, Michael**
Board Treasurer/Building Committee
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Cell: 406-920-0937
mwhelan@cwu.edu
Affiliation: Central Washington University