

**SALT LAKE VALLEY HABITAT
FOR HUMANITY**

**INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS**

June 30, 2010

HANSEN, BARNETT & MAXWELL, P.C.
A Professional Corporation
CERTIFIED PUBLIC ACCOUNTANTS

SALT LAKE VALLEY HABITAT FOR HUMANITY

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1
Financial Statements:	
Statement of Financial Position - June 30, 2010 with Summarized Financial Information for 2009	2
Statement of Activities for the Year Ended June 30, 2010 with Summarized Financial Information for 2009	3
Statement of Functional Expenses for the Year Ended June 30, 2010 with Summarized Financial Information for 2009	4
Statement of Cash Flows for the Year Ended June 30, 2010 with Summarized Financial Information for 2009	5
Notes to Financial Statements	6

HANSEN, BARNETT & MAXWELL, P.C.

A Professional Corporation
CERTIFIED PUBLIC ACCOUNTANTS

5 Triad Center, Suite 750
Salt Lake City, UT 84180-1128
Phone: (801) 532-2200
Fax: (801) 532-7944
www.hbmcpas.com

Registered with the Public Company
Accounting Oversight Board



INDEPENDENT AUDITORS' REPORT

Board of Directors
Salt Lake Valley Habitat for Humanity

We have audited the accompanying statement of financial position of Salt Lake Valley Habitat for Humanity (a nonprofit organization) (the "Organization") as of June 30, 2010, 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 2009 financial statements and, in our report dated September 29, 2009, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. 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 Salt Lake Valley Habitat for Humanity, as of June 30, 2010, and the results of its operations, changes in net assets, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Hansen, Barnett & Maxwell, P.C.
HANSEN, BARNETT & MAXWELL, P.C.

Salt Lake City, Utah
September 29, 2010

SALT LAKE VALLEY HABITAT FOR HUMANITY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010
With Summarized Financial Information for 2009

	2010	2009
ASSETS		
Current Assets		
Cash and cash equivalents - unrestricted	\$ 445,956	\$ 621,603
Cash and cash equivalents - restricted	161,925	161,313
Inventory of construction materials	-	5,301
Prepaid expenses	816	1,772
Homes under construction	345,509	680,399
Current portion of non-interest bearing mortgage loans	40,431	37,817
Total Current Assets	994,637	1,508,205
Land held for future development	183,752	114,277
Deposits	28,060	-
Equipment and Leasehold Improvements, net	159,285	35,265
Non-interest bearing mortgage loans, net of unamortized discount of \$2,377,451 and \$2,229,523 and net of current portion	1,826,467	1,773,880
Total Assets	\$ 3,192,201	\$ 3,431,627
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 20,204	\$ 37,160
Deferred special events revenue	8,800	-
Accrued payroll and related liabilities	21,847	11,591
Accrued rent	124,633	-
Other accrued liabilities	-	32,053
Note payable	-	4,430
Total Current Liabilities	175,484	85,234
Net Assets		
Unrestricted	2,854,792	3,185,080
Temporarily restricted for construction of homes	161,925	161,313
Total Net Assets	3,016,717	3,346,393
Total Liabilities and Net Assets	\$ 3,192,201	\$ 3,431,627

The accompanying notes are an integral part of these financial statements.

**SALT LAKE VALLEY HABITAT FOR HUMANITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010
With Summarized Financial Information for 2009**

	2010			2009 Total
	Unrestricted	Temporarily Restricted	Total	
Support				
Donations:				
In-kind support	\$ 54,749	\$ -	\$ 54,749	\$ 193,277
Corporations	3,496	240,347	243,843	370,280
Governments	-	-	-	55,999
Individuals	14,870	10,471	25,341	26,465
Foundations	20,415	89,478	109,893	56,989
Churches	50	3,113	3,163	6,774
Total donations	93,580	343,409	436,989	709,784
Special events:				
Special event revenue	-	33,867	33,867	113,453
Less cost of direct benefit to special event donor	-	(23,171)	(23,171)	(52,443)
Net revenue from special events	-	10,696	10,696	61,010
Total Support	93,580	354,105	447,685	770,794
Revenues				
Retail sales	298,089	-	298,089	-
Mortgage discount amortization	198,590	-	198,590	170,744
Interest income	1,624	-	1,624	2,015
Late fees	3,420	-	3,420	3,482
Recapture fees	52,301	-	52,301	12,664
Loss on transfer of homes	(214,193)	-	(214,193)	(68,873)
Net assets released from restrictions	353,493	(353,493)	-	-
Total Revenues	693,324	(353,493)	339,831	120,032
Total Support and Revenues	786,904	612	787,516	890,826
Expenses				
Program services:				
Construction and loan programs	584,765	-	584,765	729,165
Home improvement retail outlet	370,523	-	370,523	-
Support services:				
Management and administrative	110,899	-	110,899	92,422
Fundraising	51,005	-	51,005	43,104
Total Expenses	1,117,192	-	1,117,192	864,691
Change in Net Assets	(330,288)	612	(329,676)	26,135
Net Assets At Beginning of Year	3,185,080	161,313	3,346,393	3,320,258
Net Assets At End of Year	\$ 2,854,792	\$ 161,925	\$ 3,016,717	\$ 3,346,393

The accompanying notes are an integral part of these financial statements.

SALT LAKE VALLEY HABITAT FOR HUMANITY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010
With Summarized Financial Information for 2009

	2010					2009 Total
	Construction and Loan Programs	Home Improvement Retail Outlet	Management and Administrative	Fundraising	Total	
Salaries and wages	\$ 98,714	\$ 132,587	\$ 47,464	\$ 21,183	\$ 299,948	\$ 154,584
Payroll taxes and benefits	29,793	18,832	19,994	6,446	75,065	53,353
Total Salaries and Related Expenses	128,507	151,419	67,458	27,629	375,013	207,937
Employee training and seminars	2,115	3,717	-	5,589	11,421	2,622
Insurance	3,221	1,527	1,691	692	7,131	9,426
Rent	33,818	143,329	17,752	7,269	202,168	34,700
Repairs, maintenance and utilities	5,507	24,330	2,890	1,184	33,911	867
Telephone	5,712	648	2,998	1,228	10,586	5,141
Printing, postage, and delivery	2,946	1,477	1,547	633	6,603	6,255
Office/store supplies and equipment	10,088	17,491	5,296	2,168	35,043	9,884
Dues and subscriptions	2,590	139	-	-	2,729	2,726
Community and volunteer relations	4,529	-	-	-	4,529	5,678
Professional fees	10,525	12,391	5,526	2,262	30,704	21,281
Contributions	3,260	1,772	-	-	5,032	4,202
License and permits	1,249	-	-	-	1,249	107
Loss on damaged construction materials	5,301	-	-	-	5,301	-
Playground construction	8,948	-	-	-	8,948	-
In-kind expenses	1,804	-	947	388	3,139	1,455
Interest	149	-	-	-	149	651
Other	2,630	10,116	1,381	565	14,692	78
Total Before Discount and Depreciation	232,899	368,356	107,486	49,607	758,348	313,010
Discount on mortgage loans receivable	345,363	-	-	-	345,363	544,013
Depreciation	6,503	2,167	3,413	1,398	13,481	7,668
Total Functional Expenses	\$ 584,765	\$ 370,523	\$ 110,899	\$ 51,005	\$ 1,117,192	\$ 864,691

The accompanying notes are an integral part of these financial statements.

**SALT LAKE VALLEY HABITAT FOR HUMANITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
With Summarized Financial Information for 2009**

	2010	2009
Cash Flows From Operating Activities		
Change in net assets	\$ (329,676)	\$ 26,135
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	13,481	7,668
In-kind donations	(54,749)	(193,277)
In-kind expenses	3,139	1,455
Mortgage discount amortization	(198,590)	(170,744)
Discount on mortgages	345,363	544,013
Loss on transfer of homes	214,193	68,873
Loss on damaged construction materials	5,301	-
Changes in operating assets and liabilities:		
Inventory of construction materials	-	15,000
Prepaid expenses	956	10,270
Homes under construction	(235,993)	(328,466)
Accounts payable	(16,956)	(102,230)
Deferred revenue	8,800	(29,550)
Accrued liabilities	102,836	(265)
Net Cash From Operating Activities	(141,895)	(151,118)
Cash Flows From Investing Activities		
Purchase of land held for future development	(159,475)	(931)
Deposits paid	(28,060)	-
Purchase of equipment and leasehold improvements	(137,501)	-
Collections on mortgage loans	296,326	292,385
Net Cash From Investing Activities	(28,710)	291,454
Cash Flows From Financing Activities		
Principal payments on note payable	(4,430)	(5,511)
Net Cash From Financing Activities	(4,430)	(5,511)
Net Change in Cash and Cash Equivalents	(175,035)	134,825
Cash and Cash Equivalents at Beginning of Period	782,916	648,091
Cash and Cash Equivalents at End of Period	\$ 607,881	\$ 782,916
Reconciliation to Cash Displayed on Statement of Financial Position		
Cash and cash equivalents - unrestricted	\$ 445,956	\$ 621,603
Cash and cash equivalents - restricted	161,925	161,313
Cash and Cash Equivalents and End of Period	\$ 607,881	\$ 782,916

The accompanying notes are an integral part of these financial statements.

SALT LAKE VALLEY HABITAT FOR HUMANITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Salt Lake Valley Habitat for Humanity (the Organization) was incorporated under the laws of the State of Utah as a nonprofit corporation on February 25, 1986. The Organization is an affiliate of Habitat for Humanity International (Habitat International), a nondenominational Christian nonprofit organization whose purpose is to create decent, affordable housing for those in need and to make decent shelters a matter of conscience with people everywhere. Although Habitat International assists with information resources, training, publications, prayer support, and in other ways, the Organization is primarily and directly responsible for its own operations.

The Organization is governed by an independent, volunteer Board of Directors who oversees the Organization's operations. Revenues to support the Organization are primarily received from donations of cash, materials, and services.

In November 2009, the Organization opened a discount home improvement outlet, called the ReStore. The ReStore sells to the general public, and most of the store's merchandise has been donated by building supply stores and by individuals in the community.

The accompanying financial statements have been prepared in accordance with standards for not-for-profit organizations adopted by the American Institute of Certified Public Accountants. They are stated on the accrual basis of accounting whereby expenses are recorded when incurred, donations are recorded when notice is received, and grant revenues are recorded when earned.

Financial Statement Presentation – The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as applicable.

Summarized Prior Year Information – Financial information for the fiscal year ended June 30, 2009 is included for comparison only and is not complete. Complete information is available in the separately issued financial statements for that year.

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

Cash and Cash Equivalents – For purposes of the financial statements, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. In addition, management also considers money market funds to be cash equivalents. From time to time during the year, the Organization's cash balance in financial institutions has exceeded the FDIC insurance limits. At June 30, 2010, the Organization did not have any deposits with financial institutions that were not covered by FDIC insurance. Restricted cash balances are those held for construction and deposited in separate bank accounts from unrestricted cash.

Inventory of Construction Materials – Inventory consists of construction materials and is stated at the lower of cost or market value. Cost is defined using the first-in, first-out method.

ReStore Home Improvement Outlet – Most of the store’s merchandise has been donated by building supply stores and by individuals in the community. Because many of the donations are the result of overstocked items or are used items, the value of donations is not readily determinable until such merchandise is sold. Therefore, retail inventory of the store has not been recorded in these financial statements. Retail sales are recorded at the point of sale.

Homes Under Construction – Homes under construction includes the direct and indirect costs of construction, land, and the donated value of materials and professional services used in the construction of homes. Transfer to homeowners is recorded when the home is occupied and title is transferred.

Land Held for Future Development – The Organization acquires land for future housing projects. Purchased land is capitalized at cost and donated land is capitalized at the fair value at the date of donation. Once construction on the land has begun, the recorded cost of the land is reported in the homes under construction balance on the statement of financial position.

Equipment and Leasehold Improvements – Equipment and leasehold improvements are recorded on the basis of cost for purchased assets or fair value at the date of donation for donated assets. The Organization capitalizes all expenditures in excess of \$1,000. Depreciation is recorded using the straight-line method.

Non-Interest Bearing Mortgage Loans – Mortgage loans are recorded when a homeowner occupies the home and title is transferred. Habitat International requires local chapters to discount their mortgage loans. The loan is recorded at the gross amount of payments to be received over the life of the mortgage, and an offsetting discount is recorded based on prevailing market rates at the inception of the mortgage. Discounts are amortized over the lives of the loans using the effective interest method.

Contributions and Donor Restrictions – Contributions received are recorded as unrestricted or temporarily restricted depending on the existence and/or nature of any donor restrictions. Contributions not subject to donor restrictions are reported as unrestricted support. Temporarily restricted support represents contributions that are restricted by the donor for construction activities. Net assets restricted for construction are released from restricted net assets when construction costs are paid. If temporarily restricted contributions are released from restricted net assets in the same year as the contribution is received, the contribution is reported as temporarily restricted support on the statement of activities.

Contributions related to special events are recognized in the period that the event occurs.

Accrued Rent – Rent is charged to expense on a straight-line basis over the life of the lease. A liability is accrued for the difference between the straight-line rent expense and the actual payments due.

In-Kind Support – The Organization receives donations from a variety of sources for services and materials in the furtherance of its objectives. The in-kind support consists principally of discounts on services of professionals, building materials, and land. In-kind support is recorded at its fair value on the date of donation.

Program Services –

Construction and Loan Programs: Includes activities associated with completing homes, providing mortgage loans to program participants, and creating community awareness and participation.

Home Improvement Retail Outlet: Includes the operations of the discount home improvement retail outlet, the ReStore.

Allocated Administrative Expenses – The costs of providing the programs and services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and services benefited.

Income Taxes – The Organization is a qualified charitable organization under Section 501(c)(3) of the Internal Revenue Code and under State of Utah tax regulations and, therefore, is not subject to federal or state income taxes in connection with its exempt activities.

In July 2006, Financial Accounting Standards Board (FASB) issued additional guidance with respect to accounting for uncertainty in income taxes. The Organization adopted the provisions of this guidance as of July 1, 2009. The new guidance clarifies that the Organization recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. At July 1, 2009, the Organization applied this new guidance to all tax positions for which the statute of limitations remained open and determined there were no material unrecognized tax benefits as of that date. In addition, there have been no material changes in unrecognized benefits since July 1, 2009. As a result, the adoption of this guidance did not have a material effect on the Organization's financial statements.

Reclassifications – Certain 2009 balances have been reclassified to conform to the 2010 presentation. These reclassifications had no effect on total net assets or the change in net assets for 2009.

Subsequent Events – Subsequent events have been evaluated through September 29, 2010, the date the financial statements were available to be issued.

Recently Issued Accounting Guidance – In January 2009, the Financial Accounting Standards Board (FASB) issued new guidance regarding not-for-profit mergers and acquisitions. The guidance improves the relevance, representational faithfulness, and comparability of the information that a not-for-profit entity provides in its financial reports about a combination with one or more other not-for-profit entities, businesses, or nonprofit activities. To accomplish that, this guidance establishes principles and requirements for how a not-for-profit entity: (a) determines whether a combination is a merger or an acquisition, (b) applies the carryover method in accounting for a merger, (c) applies the acquisition method in accounting for an acquisition, including determining which of the combining entities is the acquirer, and (d) determines what information to disclose to enable users of financial statements to evaluate the nature and financial effects of a merger or an acquisition. The guidance also improves the relevance, representational faithfulness, and comparability of the information a not-for-profit entity provides about goodwill and other intangible assets after an acquisition by amending FASB Statement No. 142, *Goodwill and Other Intangible Assets*, to make it fully applicable to not-for-profit entities. The new not-for-profit mergers and acquisitions guidance is effective for: (a) mergers for which the merger date is on or after the beginning of an initial reporting period beginning on or after December 15, 2009 and (b) acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2009. It may not be applied to mergers or acquisitions before those dates. The Organization does not expect that the adoption of this guidance will have a material impact on its financial statements.

In June 2009, the FASB issued a statement on accounting for transfers of financial assets. The statement requires more disclosure about sales of securitized financial assets and similar transactions, particularly if the seller retains some risk to the assets. The statement eliminates the concept of a qualifying special-purpose entity, changes the requirements for the derecognition of financial assets, and calls upon sellers of the assets to make additional disclosures about them. This new statement is effective for fiscal years beginning after November 15, 2009. Earlier application is prohibited. This statement must be applied to transfers occurring on or after the effective date. The Organization has not yet determined the effect on its financial statements, if any, that will occur upon the adoption of this statement.

In July 2010, the FASB issued additional guidance regarding financing receivables to improve the disclosures that an entity provides about the credit quality of its financing receivables and the related allowance for credit losses. As a result of these amendments, an entity is required to disaggregate by portfolio segment or class certain existing disclosures and provide certain new disclosures about its financing receivables and related allowance for credit losses. The new guidance is effective for annual reporting periods ending on or after December 15, 2011. The Organization does not expect that the adoption of this guidance will have a material impact on its financial statements.

NOTE 2 – HOMES UNDER CONSTRUCTION

A summary of activity in homes under construction for the year ended June 30, 2010 is as follows:

	Homes Under Construction	Land Held for Development
Balance - June 30, 2009	\$ 680,399	\$ 114,277
In-kind donations	51,610	-
Additional costs incurred	235,993	159,475
Transfer of land	90,000	(90,000)
Completed homes transferred out	(712,493)	-
Balance - June 30, 2010	\$ 345,509	\$ 183,752

NOTE 3 – EQUIPMENT AND LEASEHOLD IMPROVEMENTS

As of June 30, 2010, the cost of equipment and leasehold improvements was as follows:

	Depreciable Lives	Balance
Furniture, office equipment, and leasehold improvements	5-10 years	\$ 156,267
Vehicles and construction equipment	5-10 years	85,497
		241,764
Accumulated depreciation		(82,479)
Total, net		\$ 159,285

NOTE 4 – NON-INTEREST BEARING MORTGAGE LOANS

As of June 30, 2010, the Organization held 51 non-interest bearing mortgage loans. The mortgage loan maturities range from 20-40 years. These mortgages are secured by the underlying real estate that is located primarily in Salt Lake and Tooele Counties in Utah. All mortgages are secured with a security interest and trust deed in each property. The fair value of the property used as collateral for each loan exceeds the value of any losses due to unpaid mortgages should they occur. Cash reserves for insurance and taxes on each property are held in a third-party trust and are not included in the Organization's balance sheet.

The mortgage loans also contain a recapture agreement whereby if the mortgagor sells a house before a prescribed time, usually twelve years from the date of first occupancy, the mortgagor must pay a recapture amount to the Organization if the home sells for a price above the original loan amount. During the year ended June 30, 2010, there were two home sales subject to the recapture agreement, and the Organization recognized \$52,301 of recapture fees.

Habitat International requires local chapters discount their non-interest bearing loans at certain discount rates published by the IRS. The discount is recorded as an offset to the gross payments to be received from the loans and a corresponding charge to "discount on mortgage loans receivable" in the accompanying Statement of Functional Expenses. During the year ended June 30, 2010, three new loans totaling \$498,300 were issued with maturities of 40 years. These loans had underlying construction costs of \$712,493 resulting in a loss on the completed homes of \$214,193. The discount rate for the loans issued during the year ended June 30, 2010 was 7.7%, resulting in a total original discount balance of \$345,363 on the new loans.

The following is a schedule of maturities of non-interest bearing mortgage loans as of June 30, 2010:

Year Ending June 30,	Loan Payments	Unamortized Discount	Net Balance
2011	\$ 191,827	\$ (151,396)	\$ 40,431
2012	191,827	(147,636)	44,191
2013	191,827	(143,702)	48,125
2014	191,827	(139,409)	52,418
2015	191,827	(134,723)	57,104
Thereafter	3,285,214	(1,660,585)	1,624,629
Total	4,244,349	(2,377,451)	1,866,898
Current portion			(40,431)
Balance, net of current portion			\$ 1,826,467

NOTE 5 – NOTE PAYABLE

During the year ended June 30, 2007, the Organization entered into a long-term note for the purchase of construction equipment. The note had a three-year term and matured in March 2010. The note was secured with the equipment and accrued no interest. The value of the equipment and associated note payable were recorded at the present value of the future payments on the note, discounted using an imputed interest rate of 8.0%. The remaining balance of \$4,430 was paid during the year ended June 30, 2010.

NOTE 6 – COMMITMENTS

The Organization entered into a non-cancellable operating lease agreement for its corporate offices and retail outlet store commencing September 1, 2009. In addition to common area fees, the lease requires average monthly payments of \$13,483 through August 2015. During the year ended June 30, 2010, the Organization incurred rent expense and common area fees of \$176,833 under this lease. The Organization also incurred rent expense of \$25,335 during the year ended June 30, 2010 for the rental of the Organization's former office location and other miscellaneous rents.

Minimum required future lease payments under the building lease are as follows:

Year Ending June 30,	
2011	\$ 173,400
2012	183,600
2013	188,190
2014	189,108
2015	193,836
Thereafter	32,463
Total	\$ 960,597

NOTE 7 – RETIREMENT PLAN

The Organization sponsors a Simple IRA plan for its employees that meet eligibility requirements. All employees who earn at least \$5,000 each year in compensation are eligible to participate. Employees may defer any percentage of their compensation as contributions to the plan up to the statutory maximum allowed. The plan also provides for an employer discretionary match of up to 3% of participant compensation. During the year ended June 30, 2010, the Organization contributed \$4,599 to the plan on behalf of its employees.

NOTE 8 – RELATED PARTY TRANSACTIONS

The Organization annually remits a portion of its contributions (excluding in-kind contributions) to Habitat International. Habitat International uses the funds to construct homes in economically depressed areas around the world. During the year ended June 30, 2010, the Organization contributed \$5,032 to Habitat International, reported as contributions on the statement of functional expenses.

NOTE 9 – SUPPLEMENTAL CASH FLOW INFORMATION

The Organization paid \$149 for interest during the year ended June 30, 2010, all of which was related to the note payable discussed in Note 5. The Organization also transferred completed homes to the program participants in exchange for the issuance of mortgage loans receivable as further described in Notes 2 and 4.

During the year ended June 30, 2010, the Organization disposed of equipment with a book value of \$29,332 and related depreciation of \$29,332. There were no cash proceeds associated with this transaction.