

SKAGIT HABITAT FOR HUMANITY  
INDEPENDENT AUDITORS' REPORT  
AND  
FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009

SKAGIT HABITAT FOR HUMANITY

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JUNE 30, 2010 AND 2009

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**PADGETT & PADGETT** <sup>PLLC</sup>  
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INDEPENDENT AUDITORS' REPORT

To The Board of Directors of Skagit Habitat for Humanity:

We have audited the statements of financial position of Skagit Habitat for Humanity as of June 30, 2010 and 2009, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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 audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits 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 audits provide 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 Skagit Habitat for Humanity, as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

*Padgett & Padgett PLLC*

February 27, 2011

SKAGIT HABITAT FOR HUMANITY  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2010 and 2009

ASSETS

	2010	2009
Current assets:		
Cash	\$ 119,006	\$ 190,783
Grant receivable	-	180,000
Construction in progress	237,858	136,982
Note receivable	1,650	2,200
Current maturities of mortgages receivable	15,943	14,287
Total current assets	374,457	524,252
Property and Equipment, net	39,824	23,198
Other assets:		
Mortgages receivable, less current maturities	527,217	427,386
Donated land held for sale	-	11,500
Total other assets	527,217	438,886
<b>TOTAL ASSETS</b>	<b>\$ 941,498</b>	<b>\$ 986,336</b>

LIABILITIES AND NET ASSETS

Current liabilities:		
Homeowner escrow accounts	\$ 8,884	\$ 10,503
Accounts payable and accrued liabilities	8,323	2,034
Current maturities of long-term debt	4,723	3,959
Total current liabilities	21,930	16,496
Long-term debt, less current maturities	51,220	56,041
Net assets:		
Unrestricted	868,348	666,945
Temporarily restricted	-	246,854
Total net assets	868,348	913,799
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 941,498</b>	<b>\$ 986,336</b>

See accompanying notes to financial statements.

SKAGIT HABITAT FOR HUMANITY  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT, REVENUES, and RECLASSIFICATIONS:</b>			
Support:			
Cash contributions	\$ 77,339	\$ -	\$ 77,339
Grants	104,241	-	104,241
In-kind contributions	34,661		34,661
Total contributions	<u>216,241</u>	<u>-</u>	<u>216,241</u>
Revenues:			
Transfer to homeowners	305,612		305,612
Retail sales of donated merchandise net of direct costs \$1977	184,868		184,868
Special events, net of costs of \$1,358	12,795		12,795
Interest and dividends	331		331
Mortgage discount	37,707		37,707
Other income (loss)	(10,236)		(10,236)
Total revenues	<u>531,077</u>	<u>-</u>	<u>531,077</u>
Reclassifications of funds used for designated purposes	246,854	(246,854)	-
Total support, revenues, and reclassifications	<u>994,172</u>	<u>(246,854)</u>	<u>747,318</u>
<b>EXPENSES:</b>			
Program services:	<u>697,304</u>		<u>697,304</u>
Supporting Services:			
Management and general	87,119		87,119
Fund-raising	8,346		8,346
Total supporting services	<u>95,465</u>		<u>95,465</u>
Total expenses	<u>792,769</u>		<u>792,769</u>
CHANGE IN NET ASSETS	<u>201,403</u>	<u>(246,854)</u>	<u>(45,451)</u>
NET ASSETS, beginning of year	<u>666,945</u>	<u>246,854</u>	<u>913,799</u>
NET ASSETS, end of year	<u>\$ 868,348</u>	<u>\$ -</u>	<u>\$ 868,348</u>

See accompanying notes to financial statements.

SKAGIT HABITAT FOR HUMANITY  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT, REVENUES, and RECLASSIFICATIONS:</b>			
<b>Support:</b>			
Cash contributions	\$ 46,912	\$ 27,444	\$ 74,356
Grants	164,508	180,000	344,508
In-kind contributions	200		200
Total contributions	<u>211,620</u>	<u>207,444</u>	<u>419,064</u>
<b>Revenues:</b>			
Transfer to homeowners	231,987		231,987
Special events, net of costs of \$1,262	49,836		49,836
Interest and dividends	718		718
Mortgage discount	32,262		32,262
Rental and other income	4,057		4,057
Total revenues	<u>318,860</u>	<u>-</u>	<u>318,860</u>
Reclassifications of funds used for designated purposes	<u>40,896</u>	<u>(40,896)</u>	<u>-</u>
Total support, revenues, and reclassifications	571,376	166,548	737,924
<b>EXPENSES:</b>			
Program services:	<u>465,672</u>		<u>465,672</u>
<b>Supporting Services:</b>			
Management and general	48,457		48,457
Fund-raising	34,322		34,322
Total supporting services	<u>82,779</u>		<u>82,779</u>
Total expenses	<u>548,451</u>		<u>548,451</u>
CHANGE IN NET ASSETS	<u>22,925</u>	<u>166,548</u>	<u>189,473</u>
NET ASSETS, beginning of year	<u>644,020</u>	<u>80,306</u>	<u>724,326</u>
NET ASSETS, end of year	<u>\$ 666,945</u>	<u>\$ 246,854</u>	<u>\$ 913,799</u>

See accompanying notes to financial statements.

SKAGIT HABITAT FOR HUMANITY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2010

	Program Services					2010 Total
	Home Building	SHFH Store	Total Program Services	Management and General	Fund- Raising	
Wages and related taxes	\$ 43,444	\$ 61,203	\$ 104,647	\$ 42,326	\$ -	\$ 146,973
Employee benefits	-	239	239	4,971		5,210
Advertising	-	8,564	8,564	1,713	20	10,297
Automobile	-	1,895	1,895	1,622		3,517
Repairs and maintenance	-	1,568	1,568	641		2,209
Mortgage discount	187,994		187,994			187,994
Cost of homes transferred	310,080		310,080			310,080
Licenses and permits	-	632	632	47		679
Office supplies	-	5,923	5,923	4,455	16	10,394
Travel	-	2,040	2,040	235	1,559	3,834
Printing	-	-	-	841	6,365	7,206
Interest	-	3,615	3,615	54		3,669
Insurance	-	1,376	1,376	1,772		3,148
Professional fees	-	5,223	5,223	10,491	112	15,826
Depreciation	1,104	6,622	7,726	253		7,979
Taxes	-		-		113	113
Utilities	-	13,604	13,604	3,358	24	16,986
Postage	-	343	343	929		1,272
Miscellaneous	-	-	-	100		100
Tithes	-		-	5,368		5,368
Food and lodging	109	1,292	1,401	1,446		2,847
Supplies	-	7,189	7,189	-	55	7,244
Rent	-	28,712	28,712	1,642		30,354
Volunteer recognition	-	602	602	496	39	1,137
Dues and subscription	-		-	4,246		4,246
Bank fees	6	3,925	3,931	113	43	4,087
<b>TOTAL EXPENSES</b>	<b>\$ 542,737</b>	<b>\$ 154,567</b>	<b>\$ 697,304</b>	<b>\$ 87,119</b>	<b>\$ 8,346</b>	<b>\$ 792,769</b>

See accompanying notes to financial statements.

SKAGIT HABITAT FOR HUMANITY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2009

	Program Services	Management and General	Fund- Raising	Total
Wages and related taxes	\$ 34,249	\$ 27,683	\$ 22,794	\$ 84,726
Advertising	1,797		865	2,662
Automobile	1,531			1,531
Repairs and maintenance	301	432		733
Equipment lease	524			524
Mortgage discount	127,944			127,944
Cost of homes transferred	245,227			245,227
Licenses and permits	5,181			5,181
Office supplies	3,349	1,224	83	4,656
Travel	4,093		67	4,160
Small tools	1,759			1,759
Printing	61	91	3,155	3,307
Insurance	5,071			5,071
Professional fees	5,002	3,803	2,769	11,574
Depreciation	1,607			1,607
Taxes	427			427
Utilities	3,526	3,398	1,040	7,964
Postage	764	692	465	1,921
Miscellaneous	1,246	638	618	2,502
Tithes	16,854			16,854
Food and lodging	1,429		837	2,266
Supplies	3,730	86		3,816
Rent		8,374		8,374
Volunteer recognition			1,579	1,579
Dues and subscription		1,615	50	1,665
Bank fees		421		421
<b>TOTAL EXPENSES</b>	<b>\$ 465,672</b>	<b>\$ 48,457</b>	<b>\$ 34,322</b>	<b>\$ 548,451</b>

See accompanying notes to financial statements.

SKAGIT HABITAT FOR HUMANITY  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2010 and 2009

Increase (Decrease) In Cash and Cash Equivalents	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ (45,451)	\$ 189,473
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Principal increased on mortgages receivable	(304,354)	(225,944)
Discount on mortgages receivable	187,994	127,945
Amortization of discount on mortgages receivable	(37,707)	(32,262)
Loss on sale of donated land held for sale	10,872	
Depreciation	7,979	1,607
Changes in operating assets and liabilities:		
Change in grants receivable	180,000	(180,000)
Inventory of property		107,644
Construction in progress	(100,876)	(31,435)
Homeowner escrow accounts	(1,619)	2,632
Accounts payable and accrued liabilities	6,289	(173)
Net cash from operating activities	(96,873)	(40,513)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Principal payments received on mortgages receivable	52,580	39,431
Acquisition of property and equipment	(24,605)	(18,100)
Additional investment in donated land held for sale	(1,934)	-
Proceeds from sale of donated land held for sale	2,562	
Collections of principal on note receivable	550	550
Net cash from investing activities	29,153	21,881
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on long-term debt	(4,057)	
Proceeds from long-term debt		60,000
Net cash from financing activities	(4,057)	60,000
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(71,777)	41,368
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	190,783	149,415
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 119,006	\$ 190,783

See accompanying notes to financial statements.

# SKAGIT HABITAT FOR HUMANITY

## NOTES TO FINANCIAL STATEMENTS

### NATURE OF ORGANIZATION

Skagit Habitat for Humanity (the “Organization”), a Washington Non-profit corporation, is an independent organization affiliated with Habitat for Humanity International. The Organization pursues its mission to partner with people in need by building and renovating houses in an effort to develop decent communities in which every person can experience God’s love and can grow into all God intends. The Organization is supported primarily through donor contributions, fundraising, and grants. The Organization also operates a building material and supply store. The store is staffed by a combination of volunteers and paid staff and sells only donated merchandise.

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The accompanying financial statements have been prepared on the accrual basis and follow the recommendations of the Financial Accounting Standards Board in its ASC 958, formerly Statement of Financial Accounting Standards No. 117 “Financial Statements of Not-For-Profit Organizations.” Under ASC 958 the organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations. This category of net assets includes amounts designated by the Board for long-term investment.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that the principal be maintained permanently by the Organization. The Organization is permitted to use the income earned on the related investments for general or specified operating purposes. The Organization did not have any permanently restricted net assets as of June 30, 2010 or 2009.

# SKAGIT HABITAT FOR HUMANITY

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions –The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in ASC 958-605, formerly SFAS No. 116, Accounting for Contributions Received and Made. In accordance with ASC 958-605, contributions received are recorded as revenues in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the contribution is made. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets, as net assets released from restrictions.

Cash - Cash consists of cash held in checking, savings and cash on hand. For purposes of the statement of cash flows, the Organization considers all highly liquid unrestricted investments with an initial maturity of less than three months to be cash equivalents.

Grants receivable are recorded when the Organization receives notice of award and no further application or actions are required to receive the awarded funds.

Mortgages receivable-Mortgages receivable consists of non-interest bearing mortgages which are secured by real estate and payable in monthly installments over the term of the mortgage.

Donated services – The Organization received donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statements of activities and changes in net assets, because the criteria for recognition of such volunteer efforts have not been satisfied.

Expense allocation - Costs of providing programs and activities are summarized by functional category in the accompanying statement of activities and statement of functional expenses. Costs are directly allocated where possible and certain expenses not directly related to a particular function are allocated based upon the percentage of time devoted to the benefited activities or on other appropriate methods.

SKAGIT HABITAT FOR HUMANITY  
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal income taxes - The Organization is classified as a Section 501 (c) (3) Organization under the Federal Internal Revenue Code. As a result, it has been determined to be exempt from federal income taxes. Due to the retail store selling only donated merchandise, this activity has also been determined to be exempt from characterization as unrelated business income and, thus, exempt from federal income taxes. Accordingly, no provision for income tax is reflected in these financial statements.

Advertising - The Organization's policy is to expense advertising costs as incurred. Advertising expense totaled \$10,297 and \$2,014 in 2010 and 2009, respectively.

Maintenance and repairs – Improvements, additions and major renewals which extend life of an asset are capitalized at cost as property and equipment. Repairs and maintenance are expensed as incurred.

Property and equipment- The Organization records property and equipment at cost, or if donated, at the approximate fair value at the date of donation. Acquisitions of property and equipment in excess of \$500 with a useful life of more than one year are capitalized. Depreciation is calculated using the straight-line method over an estimated life of five to fifteen years. Depreciation expense totaled \$7,979 and \$1,942 for 2010 and 2009, respectively.

Construction in progress-Construction costs are capitalized as construction in progress until the homes are transferred to homeowners, when the total land and construction costs are expensed. Construction period of homes is generally less than one year.

Inventory of property - consists of real estate and is recorded at cost which does not exceed net realizable value.

Transfers to homeowners-Transfers to homeowners are recorded at the gross mortgage amount plus any down payment received. Non-interest bearing mortgages have been discounted based upon prevailing market rates for low income housing at the inception of the mortgage. Using a straight-line method, the discount is amortized and recognized as interest income over the term of the mortgage.

SKAGIT HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

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 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.

NOTE 3. MORTGAGES RECEIVABLE

The Organization constructs homes and then sells them to qualified buyers. The Organization carries the debt from the owner as a first mortgage over 20-30 years. The mortgages are non-interest bearing and are collateralized by the real estate. Interest has been imputed at approximately 8%. Following is the summary of mortgages receivable:

	2010	2009
Mortgages receivable at face value	\$ 1,083,030	\$ 831,256
Less unamortized discount	539,870	389,583
Net mortgages receivable	<u>\$ 543,160</u>	<u>\$ 441,673</u>

Following is the schedule of collections of total payments and discount amortization on the mortgages receivable over the next five years and in total:

Years ending June 30,			
	Payments	Discount	Net
2011	\$ 60,173	\$ 44,230	\$ 15,943
2012	60,173	44,230	15,943
2013	60,173	44,230	15,943
2014	60,173	44,230	15,943
2015	60,173	44,230	15,943
After 2015	782,165	318,720	463,445
Total	<u>\$ 1,083,030</u>	<u>\$ 539,870</u>	<u>\$ 543,160</u>

NOTE 4. IN-KIND DONATIONS

During 2010 and 2009, the Organization received in-kind donations of building materials in the amount of \$34,611 and \$200, respectively.

SKAGIT HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PAYMENTS TO AFFILIATED ORGANIZATIONS

The Organization made title payments totaling \$5,368 and \$2,454 to Habitat for Humanity International during the years ended June 30, 2010 and 2009, respectively.

NOTE 6. LEASE OBLIGATIONS

The Organization entered into a lease agreement for its store and administrative office in Mount Vernon, Washington effective June 15, 2009 and expiring October 15, 2012. This lease is paid monthly with a progressive increase, as follows: first month free; next three months \$250; next six months \$1,500; next 6 months, \$2,500; next 12 months \$3,500; next 12 months \$4,500. The lease allows for a 2 year renewal option with rent payable at \$4,500 per month. Rent expenses under these leases totaled \$17,250 and \$250 for 2010 and 2009, respectively. Future minimum lease obligations under this lease are as follows:

Years ending June 30:	2011	\$ 39,000
	2012	51,000
	2013	13,500
Total minimum future lease obligations		<u>\$ 103,500</u>

SKAGIT HABITAT FOR HUMANITY  
NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

The Organization's long-term debt as of June 30, 2010 and 2009, consists of the following and is secured by the building and land held by the Organization:

	<u>2010</u>	<u>2009</u>
Note payable to a commercial bank; due in monthly installments of \$685 including interest at 6.5%; maturing March 15, 2016; collateralized by substantially all assets of the Organization	\$ 55,943	\$ 60,000
Current maturities	<u>4,723</u>	<u>3,959</u>
Long-term	<u>\$ 51,220</u>	<u>\$ 56,041</u>

Scheduled principal payments are as follows:  
for each respective year ended June 30,

2011	\$ 4,723
2012	5,032
2013	5,369
2014	5,729
2015	6,154
2016	<u>28,936</u>
Total long-term debt	<u>\$ 55,943</u>

NOTE 8. SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest was \$3,669 for the year ended June 30, 2010. No interest was paid during the year ended June 30, 2009.

NOTE 9. RESTRICTED CASH AND RESTRICTION ON NET ASSETS

Temporarily restricted net assets as of June 30, 2010 and 2009, respectively, are available for the following purposes:

	<u>2010</u>	<u>2009</u>
Women Build Program	\$ -	\$ 66,854
Housing Trust Fund Grant	-	180,000
Total	<u>\$ -</u>	<u>\$ 246,854</u>

SKAGIT HABITAT FOR HUMANITY

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RESTRICTED CASH AND RESTRICTION ON NET ASSETS (Continued)

Temporarily restricted net assets were released for the following purposes during the year ended June 30, 2010 and 2009:

	2010	2009
Women Build Program	\$ 66,854	\$ 40,896
Housing Trust Fund Grant	180,000	-
Total	<u>\$ 246,854</u>	<u>\$ 40,896</u>

These temporarily restricted net assets are accounted for separately and held in the Organization main bank accounts.

NOTE 10. CONCENTRATIONS AND CREDIT RISK

The Organization has adopted FASB ASC 275-10-50, which requires disclosure of vulnerable concentrations of exposed risk. The Organization receives approximately 26% of its gross receipts from operation of its retail store. It is reasonably possible that in the near term the store could close which would have a severe impact on the Organization and its ability to continue its operations. The Organization does not expect in any way that the store will be closed.

The Organization maintains cash balances at three financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's cash balances may at times exceed insured limits.

NOTE 11. OTHER INCOME (LOSS)

Other income (loss) for the years ended June 30, 2010 and 2009 consists of the following:

	2010	2009
Other income	\$ 899	\$ 403
Loss on donated land held for sale	(10,872)	
Loss on disposal of equipment	(263)	
Refunds		3,087
Rental		567
Total other income (loss)	<u>\$ (10,236)</u>	<u>\$ 4,057</u>

SKAGIT HABITAT FOR HUMANITY  
NOTES TO FINANCIAL STATEMENTS

NOTE 12. PROPERTY AND EQUIPMENT

Property and equipment is recorded at cost and consists of the following:

	<u>2010</u>	<u>2009</u>
Furniture, fixtures and equipment	\$ 21,423	\$ 13,127
Leasehold improvements	11,735	
Vehicles	<u>30,261</u>	<u>30,261</u>
Total property and equipment	63,419	43,388
Less accumulated depreciation	<u>23,595</u>	<u>20,190</u>
Net property and equipment	<u>\$ 39,824</u>	<u>\$ 23,198</u>

Form **990**

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)  
▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047  
**2009**  
Open to Public Inspection

**A For the 2009 calendar year, or tax year beginning 07/01/09, and ending 06/30/10**

- B** Check if applicable:
- Address change
  - Name change
  - Initial return
  - Termination
  - Amended return
  - Application pending

**C** Name of organization  
**SKAGIT HABITAT FOR HUMANITY**

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
**PO BOX 2565**

City or town, state or country, and ZIP + 4  
**MOUNT VERNON WA 98273-7565**

**D** Employer identification number  
**91-1628529**

**E** Telephone number  
**360-428-9402**

**G** Gross receipts\$ **762,153**

**F** Name and address of principal officer:  
**WAYNE WEGNER**  
**PO BOX 2565**  
**MOUNT VERNON WA 98273**

**H(a)** Is this a group return for affiliates?  Yes  No

**H(b)** Are all affiliates included?  Yes  No

If "No," attach a list. (see instructions)

**I** Tax-exempt status:  501(c) ( **3** ) ◀ (insert no.)  4947(a)(1) or  527

**J** Website: ▶ **WWW.SKAGITHABITAT.COM**

**H(c)** Group exemption number ▶

**K** Type of organization:  Corporation  Trust  Association  Other ▶

**L** Year of formation: **1994** **M** State of legal domicile: **WA**

**Part I Summary**

**1** Briefly describe the organization's mission or most significant activities:  
**The Organization partners with people in need by building and renovating houses in an effort to develop decent communities in which every person can experience God's love and can grow into all God intends.**

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

**3** Number of voting members of the governing body (Part VI, line 1a) **3 16**

**4** Number of independent voting members of the governing body (Part VI, line 1b) **4 16**

**5** Total number of employees (Part V, line 2a) **5 5**

**6** Total number of volunteers (estimate if necessary) **6 300**

**7a** Total gross unrelated business revenue from Part VIII, column (C), line 12

**7b** Net unrelated business taxable income from Form 990-T, line 34 **0**

Revenue		Prior Year	Current Year
		<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>419,064</b>
<b>9</b> Program service revenue (Part VIII, line 2g)	<b>32,262</b>	<b>343,319</b>	
<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>718</b>	<b>-10,541</b>	
<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>40,653</b>	<b>198,299</b>	
<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>492,697</b>	<b>747,318</b>	

Expenses		Prior Year	Current Year
		<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)			
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>84,726</b>	<b>152,183</b>	
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)			
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>8,346</b>			
<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	<b>218,498</b>	<b>635,218</b>	
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>303,224</b>	<b>792,769</b>	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>189,473</b>	<b>-45,451</b>	

Net Assets or Fund Balances		Beginning of Current Year	End of Year
		<b>20</b> Total assets (Part X, line 16)	<b>986,336</b>
<b>21</b> Total liabilities (Part X, line 26)	<b>72,537</b>	<b>73,150</b>	
<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>913,799</b>	<b>868,348</b>	

**Part II Signature Block**

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

**Sign Here**

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_

Type or print name and title \_\_\_\_\_

**Paid Preparer's Use Only**

Preparer's signature ▶ \_\_\_\_\_ Date **05/16/11** Check if self-employed  Preparer's identifying number (see instructions) **P00151785**

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ **Padgett & Padgett, PLLC**  
**1302 Cleveland Ave**  
**Mount Vernon, WA 98273**

EIN ▶ **91-2085467**

Phone no. ▶ **360-424-1040**

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

**Part III Statement of Program Service Accomplishments**

**1** Briefly describe the organization's mission:  
**The Organization partners with people in need by building and renovating houses in an effort to develop decent communities in which every person can experience God's love and can grow into all God intends.**

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O.

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

**4a** (Code: ) (Expenses \$ **548,105** including grants of \$ **5,368** ) (Revenue \$ **305,612** )  
**With the support of approximately 300 volunteers serving in various capacities, our Skagit Habitat for Humanity affiliate was able to complete the 23rd and 24th homes provided to their partner families built almost entirely by volunteer labor. We also provided training/mentoring for these new households and others in areas ranging from financial management to home repair and maintenance with the goal of our partner families achieving long-term success in their home ownership.**

**4b** (Code: ) (Expenses \$ **154,567** including grants of \$ ) (Revenue \$ **184,868** )  
**With the support of approximately 300 volunteers serving in various capacities, our Skagit habitat for Humanity affiliate opened and currently operates a used building material store. This Store has provided a resource for builders and the general public to donate usable materials and keep them out of the landfill. Also, this Store has provided an opportunity for our Organization to partner with local job training programs to allow individuals in these programs to gain experience in a retail environment with the expectation of leveraging this experience into future employment. We have expanded our paid staff through individuals from these programs.**

**4c** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

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

**4e Total program service expenses ▶ 702,672**

**Part IV Checklist of Required Schedules**

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		X
5	<b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	X	
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	X	
	<ul style="list-style-type: none"> <li>Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.</li> <li>Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.</li> <li>Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.</li> <li>Did the organization report an amount for other assets related in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.</li> <li>Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.</li> <li>Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.</li> </ul>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.	X	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X

**Part IV Checklist of Required Schedules (continued)**

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

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

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

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

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body (16), 1b Enter the number of voting members that are independent (16), 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (X), 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? (X), 4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? (X), 5 Did the organization become aware during the year of a material diversion of the organization's assets? (X), 6 Does the organization have members or stockholders? (X), 7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? (X), 7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? (X), 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? (X), b Each committee with authority to act on behalf of the governing body? (X), 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O. (X)

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Does the organization have local chapters, branches, or affiliates? (X), 10b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? (X), 11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? (X), 11a Describe in Schedule O the process, if any, used by the organization to review this Form 990., 12a Does the organization have a written conflict of interest policy? If "No," go to line 13 (X), 12b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (X), 12c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done (X), 13 Does the organization have a written whistleblower policy? (X), 14 Does the organization have a written document retention and destruction policy? (X), 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? a The organization's CEO, Executive Director, or top management official (X), b Other officers or key employees of the organization (X), 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? (X), 16b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

Table with 2 columns: Question, Answer. Rows include: 17 List the states with which a copy of this Form 990 is required to be filed (WA), 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. (Own website, Another's website, X Upon request), 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public., 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: (WAYNE WEGNER, 1022 RIVERSIDE DRIVE)

MT. VERNON

WA 98273

360-428-9402

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

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

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

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

Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Manny Gomez Director	1.00	X					0	0	0	
Michelle Mitzel Director	1.00	X					0	0	0	
Tony Cook Treasurer	2.00	X		X			0	0	0	
Chuck Hoover Director	24.00	X					0	0	0	
John Milnor President	2.00	X		X			0	0	0	
Josh Scott Director	1.00	X					0	0	0	
Ruth Turner Director	1.00	X					0	0	0	
Linda Duffield Secretary	40.00	X		X			0	0	0	
Mary Ann Edwards Director	4.00	X					0	0	0	
Merv Thompson Director	1.00	X					0	0	0	
Carla Tucker Director	1.00	X					0	0	0	
Dave Groves Director	12.00	X					0	0	0	
Debbie Allen Vice President	2.00	X		X			0	0	0	
Gwen Halliday Director	1.00	X					0	0	0	
Carol Hildahl Director	1.00	X					0	0	0	
Florence Dahlstedt Director	2.00	X					0	0	0	
Wayne Wegner Exe Director	40.00			X			50,000	0	0	



**Part VIII Statement of Revenue**

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b> Federated campaigns	<b>1a</b>					
	<b>b</b> Membership dues	<b>1b</b>					
	<b>c</b> Fundraising events	<b>1c</b>					
	<b>d</b> Related organizations	<b>1d</b>					
	<b>e</b> Government grants (contributions)	<b>1e</b>					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	<b>216,241</b>				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$		<b>34,661</b>				
	<b>h Total.</b> Add lines 1a-1f		<b>216,241</b>				
<b>Program Service Revenue</b>		<b>Busn. Code</b>					
	<b>2a</b> Home Transfer		<b>236000</b>	<b>305,612</b>	<b>305,612</b>		
	<b>b</b> Discount Amortization		<b>531390</b>	<b>37,707</b>	<b>37,707</b>		
	<b>c</b>						
	<b>d</b>						
	<b>e</b>						
	<b>f</b> All other program service revenue						
<b>g Total.</b> Add lines 2a-2f			<b>343,319</b>				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)			<b>331</b>		<b>331</b>	
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties						
	<b>6a</b> Gross Rents	(i) Real	(ii) Personal				
	<b>b</b> Less: rental exps.						
	<b>c</b> Rental inc. or (loss)						
	<b>d</b> Net rental income or (loss)						
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			<b>628</b>				
	<b>b</b> Less: cost or other basis & sales exps.			<b>11,500</b>			
	<b>c</b> Gain or (loss)			<b>-10,872</b>			
	<b>d</b> Net gain or (loss)			<b>-10,872</b>	<b>-10,872</b>		
	<b>8a</b> Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	<b>a</b>		<b>14,153</b>			
		<b>b</b> Less: direct expenses	<b>b</b>	<b>1,358</b>			
<b>c</b> Net income or (loss) from fundraising events				<b>12,795</b>		<b>12,795</b>	
<b>9a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>						
	<b>b</b> Less: direct expenses	<b>b</b>					
	<b>c</b> Net income or (loss) from gaming activities						
<b>10a</b> Gross sales of inventory, less returns and allowances	<b>a</b>		<b>186,845</b>				
	<b>b</b> Less: cost of goods sold	<b>b</b>	<b>1,977</b>				
	<b>c</b> Net income or (loss) from sales of inventory			<b>184,868</b>	<b>184,868</b>		
Miscellaneous Revenue		<b>Busn. Code</b>					
<b>11a</b> Miscellaneous			<b>636</b>	<b>636</b>			
<b>b</b>							
<b>c</b>							
<b>d</b> All other revenue							
<b>e Total.</b> Add lines 11a-11d			<b>636</b>				
<b>12 Total Revenue.</b> See instructions.			<b>747,318</b>	<b>517,951</b>	<b>0</b>	<b>13,126</b>	

**Part IX Statement of Functional Expenses**

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	5,368	5,368		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	134,920	102,997	31,923	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	5,210	239	4,971	
10 Payroll taxes	12,053	1,650	10,403	
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	6,731		6,731	
d Lobbying				
e Professional fundraising services. See Part IV, line 7				
f Investment management fees				
g Other	9,095	5,223	3,760	112
12 Advertising and promotion	10,297	8,564	1,713	20
13 Office expenses	18,872	6,266	6,225	6,381
14 Information technology				
15 Royalties				
16 Occupancy	47,340	42,316	5,000	24
17 Travel	7,351	3,935	1,857	1,559
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	3,669	3,615	54	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	7,979	7,726	253	
23 Insurance	3,148	1,376	1,772	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a Cost of homes transferred	310,080	310,080		
b Discount on mortgages issued	187,994	187,994		
c Supplies	7,244	7,189		55
d Dues and subscriptions	4,246		4,246	
e Bank fees	4,087	3,931	113	43
f All other expenses	7,085	4,203	2,730	152
25 Total functional expenses. Add lines 1 through 24f	792,769	702,672	81,751	8,346
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash—non-interest bearing	190,783	1	119,006
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net	180,000	3	
	4 Accounts receivable, net		4	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net	443,873	7	544,810
	8 Inventories for sale or use	136,982	8	237,858
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 63,419		
	b Less: accumulated depreciation	10b 23,595	34,698	10c 39,824
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)		986,336	16	941,498
<b>Liabilities</b>	17 Accounts payable and accrued expenses	2,034	17	8,323
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	10,503	21	8,884
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	60,000	23	55,943
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D		25	
	26 <b>Total liabilities.</b> Add lines 17 through 25		72,537	26
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	27 Unrestricted net assets	666,945	27	868,348
	28 Temporarily restricted net assets	246,854	28	
	29 Permanently restricted net assets		29	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 <b>Total net assets or fund balances</b>		913,799	33
34 <b>Total liabilities and net assets/fund balances</b>		986,336	34	941,498

**Part XI Financial Statements and Reporting**

**1** Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_

If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.

**2a** Were the organization's financial statements compiled or reviewed by an independent accountant? .....

**b** Were the organization's financial statements audited by an independent accountant? .....

**c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? .....

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

**d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:

Separate basis  Consolidated basis  Both consolidated and separate basis

**3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? .....

**b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits. ....

	Yes	No
<b>2a</b>		<b>X</b>
<b>2b</b>	<b>X</b>	
<b>2c</b>	<b>X</b>	
<b>3a</b>		<b>X</b>
<b>3b</b>		

SCHEDULE A (Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2009

Open to Public Inspection

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

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

Department of the Treasury Internal Revenue Service

Name of the organization: SKAGIT HABITAT FOR HUMANITY; Employer identification number: 91-1628529

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

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

- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2 A school described in section 170(b)(1)(A)(ii).
3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii).
5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv).
6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi).
8 A community trust described in section 170(b)(1)(A)(vi).
9 X An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions...
10 An organization organized and operated exclusively to test for public safety.
11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations...
e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons...
f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box.
g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

Table with 2 columns: Yes, No. Rows for 11g(i), 11g(ii), 11g(iii).

Table with 7 main columns: (i) Name of supported organization, (ii) EIN, (iii) Type of organization, (iv) Is the organization in col. (i) listed in your governing document?, (v) Did you notify the organization in col. (i) of your support?, (vi) Is the organization in col. (i) organized in the U.S., (vii) Amount of support. Includes a Total row at the bottom.

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2009

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**  
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
<b>6 Public support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>11 Total support.</b> Add lines 7 through 10						

**12** Gross receipts from related activities, etc. (see instructions) 12

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

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	%
<b>15</b> Public support percentage from 2008 Schedule A, Part II, line 14	<b>15</b>	%

**16a 33 1/3 % support test—2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ►

**b 33 1/3 % support test—2008.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ►

**17a 10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ►

**b 10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ►

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

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	150,471	88,074	271,056	419,064	229,036	1,157,701
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	182,340	62,527	90,041	68,858	343,319	747,085
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513					184,868	184,868
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5	332,811	150,601	361,097	487,922	757,223	2,089,654
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6.)						2,089,654

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
<b>9</b> Amounts from line 6	332,811	150,601	361,097	487,922	757,223	2,089,654
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	22,155	28,670	1,622	718	-10,541	42,624
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b	22,155	28,670	1,622	718	-10,541	42,624
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	4,114	7,270	3,487	4,057	636	19,564
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)	359,080	186,541	366,206	492,697	747,318	2,151,842

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

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	97.11%
<b>16</b> Public support percentage from 2008 Schedule A, Part III, line 15	<b>16</b>	69.53%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	2%
<b>18</b> Investment income percentage from 2008 Schedule A, Part III, line 17	<b>18</b>	4%

**19a 33 1/3 % support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization

**b 33 1/3 % support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization

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

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

**Part III, Line 12 - Other Income Detail**

**Other income** \$ **19,564**

**Schedule B**  
**(Form 990, 990-EZ,**  
**or 990-PF)**  
Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**  
▶ **Attach to Form 990, 990-EZ, or 990-PF.**

OMB No. 1545-0047

**2009**

<b>Name of the organization</b>  <b>SKAGIT HABITAT FOR HUMANITY</b>	<b>Employer identification number</b>  <b>91-1628529</b>
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**Organization type** (check one):

**Filers of:**

**Section:**

Form 990 or 990-EZ

501(c)( **3** ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** \$5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ..... ▶ \$ .....

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box in the heading of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

**For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.**

**Schedule B (Form 990, 990-EZ, or 990-PF) (2009)**

<b>Name of organization</b> SKAGIT HABITAT FOR HUMANITY	<b>Employer identification number</b> 91-1628529
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**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Kay Kohler PO Box 1014 Friday Harbor WA 98250	\$ 10,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	Martin Family Foundation 13964 Biz Point Lane Anacortes WA 98221	\$ 5,300	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	Donna J. & Charles T. Cole Charity Foundation PO Box 564 Stanwood WA 98292	\$ 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ .....	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ .....	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ .....	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

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

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization: SKAGIT HABITAT FOR HUMANITY
Employer identification number: 91-1628529

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

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year, and two questions about donor advisement.

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

Multiple choice questions about conservation easements. Includes a table for 'Held at the End of the Tax Year' with rows 2a, 2b, 2c, 2d. Questions cover purpose, monitoring, and reporting.

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

Questions 1a, 1b, and 2 regarding reporting of art and historical treasures. Includes dollar amount fields for revenues and assets.

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

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

- a**  Public exhibition
- b**  Scholarly research
- c**  Preservation for future generations
- d**  Loan or exchange programs
- e**  Other \_\_\_\_\_

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

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

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

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

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

- c** Beginning balance
- d** Additions during the year
- e** Distributions during the year
- f** Ending balance

	Amount
<b>1c</b>	
<b>1d</b>	
<b>1e</b>	
<b>1f</b>	

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

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

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

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

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

- a** Board designated or quasi-endowment  \_\_\_\_\_ %
- b** Permanent endowment  \_\_\_\_\_ %
- c** Term endowment  \_\_\_\_\_ %

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

- (i)** unrelated organizations
- (ii)** related organizations

	Yes	No
<b>3a(i)</b>		
<b>3a(ii)</b>		
<b>3b</b>		

**b** If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land				
<b>b</b> Buildings				
<b>c</b> Leasehold improvements		<b>11,735</b>	<b>931</b>	<b>10,804</b>
<b>d</b> Equipment		<b>51,684</b>	<b>22,664</b>	<b>29,020</b>
<b>e</b> Other				

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) **39,824**



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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	747,318
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	792,769
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-45,451
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	-45,451

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

1	Total revenue, gains, and other support per audited financial statements	1	747,318
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	747,318
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	747,318

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

1	Total expenses and losses per audited financial statements	1	792,769
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	792,769
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	792,769

**Part XIV Supplemental Information**

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

Part IV, Line 2b - Escrow Liability Arrangement Explanation

Escrow payments are collected on behalf of partner families for home insurance and real estate taxes on the real estate secured by a mortgage held by the Organization.







**SCHEDULE M  
(Form 990)**

**Noncash Contributions**

OMB No. 1545-0047

**2009**

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

**Open To Public Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**SKAGIT HABITAT FOR HUMANITY**

Employer identification number  
**91-1628529**

**Part I Types of Property**

	(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ ( <b>BLDG MATERIAL</b> )	<b>X</b>	<b>1</b>	<b>34,661</b>	
26 Other ▶ ( )				
27 Other ▶ ( )				
28 Other ▶ ( )				

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

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



**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

OMB No. 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

**SKAGIT HABITAT FOR HUMANITY**

Employer identification number

**91-1628529**

**Form 990, Part III, Line 2**

**THE ORGANIZATION OPENED AND IS OPERATING A USED BUILDING MATERIALS STORE.  
ALL MATERIALS SOLD ARE DONATED BY THE PUBLIC.**

**Form 990, Part VI, Line 7a - Election of Members and Their Rights**

**THE BOARD ELECTS NEW BOARD MEMBERS.**

**Form 990, Part VI, Line 11a - Organization's Process to Review Form 990**

**The Board is provided a copy of the Form 990 prior to filing and the Board  
reviews it at a regularly scheduled board meeting and authorizes an  
appropriate individual to sign the form for filing.**

**Form 990, Part VI, Line 12c - Enforcement of Conflicts Policy**

**ANNUALLY EACH BOARD MEMBER IS PROVIDED THE CONFLICT OF INTEREST DISCLOSURE  
FORM WHICH DOCUMENTS ANY EXISTING CONFLICTS OF INTEREST OF THAT DIRECTOR.  
THIS FORM IS THEN SIGNED AND MAINTAINED ON FILE BY THE ORGANIZATION.**

**Form 990, Part VI, Line 15a - Compensation Process for Top Official**

**COMPENSATION COMMITTEE CONSISTING OF THREE BOARD MEMBERS IS APPOINTED TO  
REVIEW AND EVALUATE THE EXECUTIVE DIRECTOR'S PERFORMANCE AND COMPENSATION.  
THIS COMMITTEE PROVIDED A RECOMMENDATION TO THE BOARD WHO PROVIDED A FINAL  
DECISION.**

**Form 990, Part VI, Line 15b - Compensation Process for Officers**

**COMPENSATION COMMITTEE CONSISTING OF THREE BOARD MEMBERS IS APPOINTED TO**

Name of the organization

SKAGIT HABITAT FOR HUMANITY

Employer identification number

91-1628529

REVIEW AND EVALUATE THE OFFICERS' PERFORMANCE AND COMPENSATION. THIS COMMITTEE PROVIDED A RECOMMENDATION TO THE BOARD WHO PROVIDED A FINAL DECISION.

Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation ORGANIZATION MAKES AN EFFORT TO INFORM THE PUBLIC OF THE AVAILABILITY OF ANY PUBLIC DOCUMENTS.

**Depreciation and Amortization**  
**(Including Information on Listed Property)**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return **SKAGIT HABITAT FOR HUMANITY** Identifying number **91-1628529**

Business or activity to which this form relates  
**Indirect Depreciation**

**Part I Election To Expense Certain Property Under Section 179**

**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	<b>250,000</b>
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	<b>800,000</b>
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the <b>smaller</b> of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2010. Add lines 9 and 10, less line 12	▶ 13	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instr.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	<b>7,788</b>

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2009	17	<b>192</b>
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	▶	

**Section B—Assets Placed in Service During 2009 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property					
b	5-year property					
c	7-year property					
d	10-year property					
e	15-year property					
f	20-year property					
g	25-year property		25 yrs.		S/L	
h	Residential rental property		27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i	Nonresidential real property		39 yrs.	MM	S/L	
				MM	S/L	

**Section C—Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System**

20a	Class life				S/L	
b	12-year		12 yrs.		S/L	
c	40-year		40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

21	Listed property. Enter amount from line 28	21	
22	<b>Total.</b> Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	<b>7,980</b>
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

**For Paperwork Reduction Act Notice, see separate instructions.**

Forms <b>990 / 990-PF</b>	<b>Other Notes and Loans Receivable</b>	<b>2009</b>
For calendar year 2009, or tax year beginning <b>07/01/09</b> , and ending <b>06/30/10</b>		

Name <b>SKAGIT HABITAT FOR HUMANITY</b>	Employer Identification Number <b>91-1628529</b>
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**Form 990, Part X, Line 7 - Additional Information**

Name of borrower	Relationship to disqualified person
(1) <b>Orestad Rehab Loan</b>	<b>None</b>
(2) <b>Mortgages Receivable</b>	<b>None</b>
(3) <b>Discount on mortgages receivable</b>	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) <b>5,500</b>	<b>08/31/00</b>	<b>08/31/19</b>	<b>Various</b>	<b>0.000</b>
(2)			<b>Various</b>	<b>0.000</b>
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) <b>Real estate</b>	<b>Renovation</b>
(2) <b>Real estate</b>	<b>Zero interest purchase financing</b>
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)	<b>2,200</b>	<b>1,650</b>	
(2)	<b>831,256</b>	<b>1,083,030</b>	
(3)	<b>-389,583</b>	<b>-539,870</b>	
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	<b>443,873</b>	<b>544,810</b>	

Forms <b>990 / 990-PF</b>	<b>Mortgages and Other Notes Payable</b>	<b>2009</b>
For calendar year 2009, or tax year beginning <b>07/01/09</b> , and ending <b>06/30/10</b>		

Name <b>SKAGIT HABITAT FOR HUMANITY</b>	Employer Identification Number <b>91-1628529</b>
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**Form 990, Part X, Line 23 - Additional Information**

Name of lender	Relationship to disqualified person
(1) <b>SKAGIT STATE BANK</b>	<b>None</b>
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) <b>60,000</b>	<b>02/18/09</b>	<b>03/15/15</b>	<b>\$685 MONTHLY IN 6 YEARS</b>	<b>6.500</b>
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) <b>PROPERTY OF THE ORGANIZATION</b>	<b>INITIAL FUNDING TO BEGIN STORE</b>
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1)	<b>60,000</b>	<b>55,943</b>
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Totals</b>	<b>60,000</b>	<b>55,943</b>