

Homes for Our Troops **2011 ANNUAL REPORT**



866-7-TROOPS • www.homesforourtroops.org

A Letter From Our President

Kenneth O. Preston, SMA (R), President of Homes for Our Troops

Dear Friends,

Inspiration can come in many forms – through a story, a picture, or the action of an individual. For me, inspiration came in the form of all three. The words and images resulting from the actions of the brave men and women tell the stories of selfless gestures meant to help preserve the lives and well being of people they have never met. Some have paid the ultimate sacrifice and some have come home to a life they never imagined, but a reality that is far from the freedom and independence they once enjoyed.

America has been at war since 2001. During that time, two million of our nation's sons and daughters have answered the call of duty. Over 6,000 of these brave men and women have been killed. Over 40,000 have suffered physical injuries. Of those 40,000, some have paid a terrible price, suffering injuries so severe that they must rely on others for care, losing much of their independence. These severely injured veterans have a desperate need for specially adapted homes that will help restore the independence they have lost.

While it's true the majority of our brave men and women in uniform have come home, safe and free of physical, emotional, and stress-related injuries, others suffer from injuries so profound, their lives and their everyday lifestyle are now forever changed. Prosthetics have taken the place of legs, arms, and hands. Holding a child is a challenge; hugging a spouse is a distant memory.

Severely wounded veterans face on a daily basis many obstacles and barriers that impede movement, even in the homes and apartments where they live. Many of these veterans now must rely on a full-time care provider or family member to assist them in their daily life functions like preparing meals, bathing or looking after younger family members. Homes for Our Troops exists to give these veterans, at no cost, a barrier free home that "gives back" freedom and independence they once enjoyed prior to their injuries. A home that helps our veterans reintegrate with their families and reintegrate with their communities all across our great Nation.

Americans are known around the world as some of the most giving people and one of the most giving societies in history. Many Americans express their feelings of wanting to do more to support wounded veterans, to ensure our heroes know their sacrifices and contributions to our Nation's security were not in vain.

We are committed – now more than ever – to building 100 More...Homes for Our Troops; a goal we will pursue with unwavering determination. My goal is to continue building on our legacy and serving our severely injured veterans and their families. Our motto says it all, "Building Homes, Rebuilding Lives."

Sincerely,



Kenneth O. Preston
Sergeant Major of the Army (R)
President, Homes for Our Troops



HFOT IMPACT NUMBERS

- ★ As of May 2012, Homes for Our Troops has completed **111** specially adapted homes
- ★ At the beginning of 2012, **35** more Veterans' home projects were underway
- ★ Over **50,000** volunteer opportunities have been created since our inception in 2004

THE URGENT NEED

Many Veterans are returning home from the wars in Iraq and Afghanistan with life-altering injuries sustained while defending our country overseas. The injuries include the loss of one or more limbs, varying levels of paralysis and traumatic brain injury. Some Veterans also return with blindness, deafness, or with severe burns. These men and women must now relearn skills often taken for granted, like walking, getting dressed, eating and talking. They may be confined to a wheelchair for the rest of their lives or may need to utilize a wheelchair when they are unable to walk on their prosthetics. Their homes are no longer a place of comfort, but rather room after room filled with barriers that make the simplest tasks difficult, if not impossible. *These American Heroes need specially adapted homes that will allow them to regain their independence and help them and their families rebuild their lives. It's the least we can do.*



WHAT IS A SPECIALLY ADAPTED HOME?

Our specialized homes go beyond ADA compliance. They feature single-level, open floor plans, roll-in showers, roll-under cook tops and sinks and other standard accessibility items. Depending on the severity of the veteran's injury, the homes may also include specialized items including lift systems, keyless door entry and voice activation controls.

KEY FACT: An eligible veteran or service member may receive a Veterans Administration Specially Adapted Housing Grant up to a maximum amount of \$63,780. Homes for Our Troops' assistance covers all costs over and above this grant and the home is provided at NO COST to the veteran.



WE ARE HOMES FOR OUR TROOPS, a national non-profit, non-partisan 501(c)(3) organization

BUILDING HOMES, REBUILDING LIVES

Homes for Our Troops builds specially adapted homes for service members who have been severely injured in combat operations since September 11, 2001. All specially adapted homes are built at NO COST to the veteran thanks to donations from thousands of individuals, foundation grants, corporate sponsors, professional tradespeople and generous support from countless volunteers.



At the start of every build project, we work to rally the community and create support for the build through phone calls, emails and radio campaigns. Sometimes the effort takes off with an already supportive community surrounding the veteran. Other times it is just a matter of getting the word out about our veteran and informing people of our mission. We are continually surprised and delighted by the outpouring of support for our veterans who have sacrificed so much for our good. Driven by patriotism, pride and gratitude, individuals sign up and the team emerges for project kick-off.

PROJECT KICK-OFF The local community for our selected veteran has stepped up as they do in each and every community we visit, donating labor and materials and holding fundraisers to help build the home. For several homes, we even received a donation of land for our veterans.

A General Contractor has signed on to be our Building Partner, to lead the project and be our “boots on the ground.” By now, Homes for Our Troops has shown the veteran and his family the blueprints of their new home. The excitement is building as the veteran sees the land cleared.

BUILD BRIGADE This CALL TO ACTION for licensed contractors and skilled and unskilled laborers gives the feel of a traditional barn-raising. Thanks to the donations of building product manufacturers across the country, we have all the tools and materials we need on-site.

In 2 days, our team of volunteers frame, side and roof the house. Windows and doors are installed. The home is weatherproof and ready for the interior work to begin.

ONE WEEKEND + HUNDREDS OF VOLUNTEERS = MONTHS WORTH OF WORK COMPLETED!

VOLUNTEER DAY In the months that follow the Build Brigade, the Building Partner and their licensed professionals complete the construction phase. Once the Building Partner gives the OK, the Volunteer Day is scheduled. This is the day when volunteers from all walks of life come together and add the finishing touches to the home. Floors are cleaned, windows are washed and landscaping is put in place. Excitement is evident in everyone present.

KEY CEREMONY The American flag is proudly raised to its rightful position flying above the veteran’s home. We have come together to give our veteran the American dream when the veteran is given the key to a new specially adapted home.

FINANCIAL INFORMATION

REVENUES

Homes for Our Troops receives support from individuals, companies, organizations and foundations across the country who want to show our military men and women that we honor their sacrifice and want to play our part in the war effort by insuring that, if they come home injured, they have a home designed to accommodate and overcome the barriers they face every day due to their disabilities.

This support includes the monetary donations we need to buy land, pay for home construction materials and services we do not get donated and run the organization. Since our inception in 2004, 79% of our revenues have been from monetary donations.

We also receive a significant amount of in-kind donations of home construction materials and professional labor that allows us to stretch our monetary donations further to assist more severely injured veterans. On average, about 50% of the labor and materials used to build our homes is donated, and the other 50% is paid for using monetary donations. We have received over \$14 million of in-kind donations since 2004.

EXPENSES

Homes for Our Troops strives to keep its overhead low in order to direct as much of your donations as possible to building homes. Since our inception in 2004, our costs for administration and fundraising have averaged only 9.3% of revenues.

In FY11, 89% of the \$16 million of expenses we incurred went toward Program Costs.

Homes for Our Troops

FINANCIAL STATEMENT EXCERPTS

Fiscal Year Ended September 30, 2011

REVENUES

Contributions	10,809,000
Donated Materials and Services	5,566,000
Investment Income	376,000
Total Revenues	16,751,000

EXPENSES

Programs	14,372,000
General and Administrative	882,000
Fundraising	941,000
Total Expenses	16,195,000

Change in Net Assets	(556,000)
Net Assets, start of year	18,980,000
Net Assets, end of year	19,536,000

Complete copy of certified public accountant's report for Homes for Our Troops is available on request and on our website.



TRIED AND TRUE

“Homes for Our Troops outperforms most other charities....”

Ken Berger, President and CEO, Charity Navigator

At Homes for Our Troops, we take the responsibility of using your money to make a difference in the lives of our severely injured veterans very seriously. As you follow our build projects across the country, from kick-off to Build Brigade to Volunteer Day to Key Ceremony, you can witness the progress of our work and share in our achievements. If you have done your research, as many of our donors have prior to giving us money or building materials, you know that charity rating agencies have awarded us high marks.

Charity Navigator has awarded Homes for Our Troops their highest 4-star rating for each of the past 3 years. Two years ago, Charity Navigator revamped their rating system to measure financial strength, accountability, and effectiveness; even with the more stringent system now in place, Homes for Our Troops has continued to earn their 4-star rating.

How Charity Navigator Evaluates Charities

Charity Navigator evaluates charities in two areas of performance; their Financial Health and their Accountability & Transparency.

FINANCIAL HEALTH: Charity Navigator analyzes a charity’s finances in areas such as percent of funds spent directly on programs, overhead costs and other important factors that measure if a charity is prudently managing the funds entrusted to it by its donors.

ACCOUNTABILITY & TRANSPARENCY: Charity Navigator measures a charity’s accountability and transparency to determine if the charity follows good governance and ethical best practices, and if it makes it easy for donors to find critical information about the organization.



What does it mean to be a 4-Star Charity?

In a letter to Homes for Our Troops, Charity Navigator President and CEO, Ken Berger states, “receiving four out of a possible four stars indicates that your organization adheres to good governance and other best practices that minimize the chance of unethical activities and consistently executes its mission in a fiscally responsible way. Only 16% of the charities we rate have received at least two consecutive 4-star evaluations, indicating that Homes for Our Troops outperforms most other charities in America. This ‘exceptional’ designation from Charity Navigator differentiates Homes for Our Troops from its peers and demonstrates to the public it is worthy of their trust.”



CAPTURED MOMENTS OF 2011

Dozens of Build Brigades, Volunteer Days and Key Ceremonies were held throughout the year, with thousands of people joining in to volunteer their time to show their support for our mission and for our veterans.



Cpl Larry Draughn, US Marine Corps
Fairborn, Ohio

Build Brigade: May 2011
Volunteer Day: August 2011
Key Ceremony: October 2011



"The assistance received from Homes for Our Troops; this specially adapted home, will greatly put my mind and heart at ease by giving my family a place to always call home as I try to find my place outside the military, learning to live with my prosthetics. Thank you for all of your continued support and thank you to all of the men and women proudly serving our great country. Semper Pariti!"
- Cpl Larry Draughn
(prior to receiving his home)



SPC Luis Puertas, US Army
Orlando, Florida

Build Brigade: September 2011
Volunteer Day: October 2011
Key Ceremony: December 2011

"This is unbelievable," Puertas says. "This is more than I ever imagined. I've never even been in a house this nice before so this is great. This is an incredible feeling."
- from interview of SPC Puertas by Fox 35 News -
Reporter Valerie Boey



Cpl Jeremy Stengel, US Marine Corps
Mukwonago, Wisconsin

Build Brigade: February 2011
Volunteer Day: May 2011
Key Ceremony: May 2011

"For a group of people to do this for returning injured veterans...YOU are true Americans. Thank you."
- Cpl Jeremy Stengel



HIGH MARKS from Charity Rating Agencies



Charity Navigator has awarded HFOT its highest rating of 4 stars for each of the last 3 years. Homes for Our Troops has an overall score of 69.21 out of a possible 70 points – a score of 99%. Note: Charity Navigator revamped their rating system two years ago to measure financial strength, accountability, and effectiveness; even with the more stringent system now in place, Homes for Our Troops has continued to earn their 4-star rating.

www.charitynavigator.org



CharityWatch (formerly The American Institute of Philanthropy) has awarded HFOT an A rating and included us in its list of Top-Rated Military & Veterans Charities.

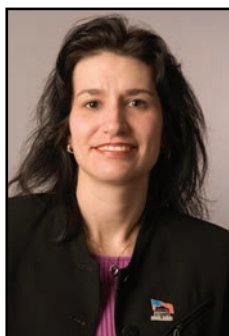
Only 8 of the 45 Military & Veterans charities they reviewed earned this Top-Rated listing.

www.charitywatch.org

2011 BOARD OF DIRECTORS



General Richard A. Cody
US Army (Ret)
Board Chairman



Jennifer Freitas
Board Treasurer



Paul E. Keane
Board Director



SMA Kenneth O. Preston
US Army (Ret)
President and Board Director



Joseph G. San Miguel,
Ph.D., CPA
Board Director

General Robert W. RisCassi
US Army (Ret)
Board Director

Linda K. Sherman
Board Director

| SENIOR MANAGEMENT



Dawn Teixeira
Executive Director



Tom Benoit
VP/CFO



Chris Rodelle
COO

BUILDING HOMES, REBUILDING LIVES

HFOT Headquarters: 6 Main Street, Taunton, Massachusetts 02780 • 866-7-TROOPS