

Homes for Our Troops

2013 ANNUAL REPORT



866-7-TROOPS • www.hfotusa.org

A Letter From Our President

Timothy P. McHale, Major General USA, Ret. President of Homes for Our Troops

Dear Friends,

Thanks to your support, 2013 was an outstanding year for Homes for Our Troops. Allow me to share with you a snapshot of the successes that we experienced in 2013. Our team was able to deliver freedom and independence to 26 severely injured Veterans through the gift of a specially adapted home, and we welcomed 33 new Veterans into the Homes for Our Troops program. Based on the progress we made in 2013 and our current waiting list, we project our number of new home recipients to reach 200 by mid-2015. Additionally, through our Home Award Program (HAP) in conjunction with JP Morgan Chase and Bank of America, we provided 24 renovated homes to medically retired Veterans and Gold Star family members of those killed in action while serving our country.



How proud we are of these impressive numbers as we celebrate our tenth year of operation!

But how did the financial numbers for Homes for Our Troops stack up in 2013? And what is the projected financial picture for the remainder of 2014?

To our constituents and stakeholders, the number of homes we build is the quantifiable measurement of our organization's success each year. We hold our process by which we spend our donors' funds to deliver each Veteran's specially adapted home to the most stringent and meticulous standards and public scrutiny, and we are the best organization at providing these homes to our Nation's most severely injured Veterans in a fiscally responsible manner. Since inception in 2004, we have spent over 90 cents on the dollar directly supporting our Veterans (91.8 percent for FY 2013), and have consistently maintained Four Star and A ratings by independent nonprofit watchdogs Charity Navigator and Charity Watch respectively. We encourage you to visit their websites and research our facts and figures.

Missing from the black and red bottom-line numbers in this financial report, however, is the indisputable growth our supporters' investments yielded just months after our Veterans and their families moved in. Here are a few of those "accruals" we'd like to publish along with this financial report:

- One Veteran reported to us that receiving the home saved his life, offering him a crucial turning point at the lowest point in his recovery.
- More than one spouse has let us know how grateful she is that her husband can finally pass down the hallway in his wheelchair in the middle of the night to tend to their baby or young child.
- Among several of our Veterans who have launched successful startups, two started a nonprofit business that helps fellow injured Veterans learn to hunt and fish with modifications.
- Another HFOT home recipient has been able to rest and recover his leg because of his specially adapted home and will not have to undergo an additional amputation.
- One of our Gold Star Spouses is now empowered to "Pay It Forward" and help coordinate donations for orphans in her community because of the mortgage-free home this widow and her children received from our Home Award Program.

These are only a few of the priceless assets that have grown from our donors' original investment in Homes for Our Troops this past year. But even with the stellar growth and accomplishments Homes for Our Troops experienced in 2013, we are not resting on our laurels in 2014. We recently launched a new monthly giving program, Operation Lasting Support, setting an aggressive goal to increase our donor constituency by 10,000 members by April 2015. Additionally, we continue to strategically align our organization with members of the home and building industry nationwide to help defray our construction costs. In 2013 this savings amounted to \$1.5 million, which will enable us to move more Veterans off our waiting list and into a home, edging us closer to completing our mission.

As in years past, we remain fully committed and accountable to those who have entrusted us with their generous financial support to help us do our important work of *Building Homes, Rebuilding Lives*.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim P. McHale".

Timothy P. McHale
Major General USA, Ret.
President, Homes for Our Troops

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 VA estimates that over 1,900 Veterans have suffered injuries such as loss of one or more limbs, varying levels of paralysis and traumatic brain injury. Some Veterans also return with blindness, deafness, or severe burns. These men and women must now relearn skills often taken for granted, such as 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 well beyond ADA (Americans with Disabilities Act) compliance. Among the 155 special adaptations in our single-level homes are open floor plans, roll-in showers, roll-under cook tops, sinks and counters, and pull-down shelving. Depending on the severity of the Veteran's injury, the home may also include specialized items including a lift system 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 \$67,555. Homes for Our Troops' assistance covers all costs over and above this grant and the home is provided mortgage free.



BUILDING HOMES, REBUILDING LIVES

Homes for Our Troops (HFOT) is a privately funded 501(c) (3) nonprofit organization building specially adapted homes nationwide for the most severely injured Veterans from Iraq and Afghanistan. These homes restore some of the freedom and independence our Veterans sacrificed defending ours, and enable them to focus on their family, recovery, and Rebuilding their Lives. All specially adapted homes are provided mortgage-free to the Veterans we serve, thanks to donations from thousands of individuals, foundation grants, corporate sponsors and professional tradespeople.



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. We want the community to know that a Veteran and his family are joining them. We are continually delighted by the outpouring of support for our Veterans who have sacrificed so much for our liberties. Driven by patriotism, pride and gratitude, individuals sign up and the team emerges for project kick-off.

GROUNDBREAKING This is where it all begins – the Groundbreaking Ceremony is our introduction into the new community. Homes for Our Troops works together with key individuals for a celebration that will enable our Veterans and others to put shovel to dirt and prepare to get the building underway. It also serves as an informational opportunity for area residents to learn more about the Veteran, Homes for Our Troops, and how they can get involved.

VOLUNTEER DAY In the months that follow the Groundbreaking, the contractor and the licensed professionals complete the construction phase. As the home nears completion, we schedule the Volunteer Day. This is the day when volunteers come together and add the finishing touches to the home, complete the landscaping, and get to know the Veteran and his Family.

KEY CEREMONY When the finished home is turned over at a patriotic Key Ceremony, the Veteran raises the American flag and cuts the yellow ribbon for the new home. These are gestures of patriotism and service symbolizing the freedom and independence the Veteran will enjoy in this mortgage-free, 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. Our supporters want to ensure that if our nation's Service Members come home injured, they have a home designed to eliminate the barriers they face every day due to their life-altering injuries.

This support includes the monetary donations required to purchase all land, home construction materials, and tradesman services that are not donated. Since our inception in 2004, 70 percent of our revenues have been from individual donors and fundraisers.

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. We have received over \$22 million of in-kind donations since 2004.

EXPENSES

In 2013, we made a deliberate decision to draw down our reserve and use those funds to build more homes for our Veterans, resulting in our change in net assets of minus \$5.2m. Homes for Our Troops continues to keep its overhead low in order to direct as much of your donations as possible to supporting our Veterans. Since our inception in 2004, our costs for administration and fundraising have averaged less than 10 percent of expenditures.

Homes for Our Troops

FINANCIAL STATEMENT EXCERPTS

Fiscal Year Ending September 30, 2013

REVENUES

Contributions	11,460,000
Donated Materials and Services	4,920,000
Investment Income	<154,000>
Total Revenues	16,226,000

EXPENSES

Programs	19,724,000
General and Administrative	871,000
Fundraising	867,000
Total Expenses	21,462,000

Change in Net Assets	<5,236,000 >
Net Assets, start of year	23,310,000
Net Assets, end of year	18,074,000

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



CHARITY RATINGS

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 10% of the charities we rate have received at least three 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.” Charity Navigator has awarded HFOT its highest rating of Four Stars for four straight years.



HIGH MARKS from Charity Rating Agencies

CharityWatch awarded HFOT an A rating and included us in their list of Top-Rated Military & Veterans Charities. Only 8 of the 46 Military & Veterans charities they reviewed earned this Top-Rated listing.



The Better Business Bureau (BBB) Wise Giving Alliance reviews charities using 20 criteria covering governance, effectiveness, finance and fundraising. Homes for Our Troops meets all 20 criteria.

HFOT IMPACT NUMBERS

★ As of August 2014, Homes for Our Troops has completed **167** specially adapted homes

★ Currently, **54** more Veterans' home projects are underway

★ Over **186,000** monetary gifts received from freedom-loving patriots nationwide year to date

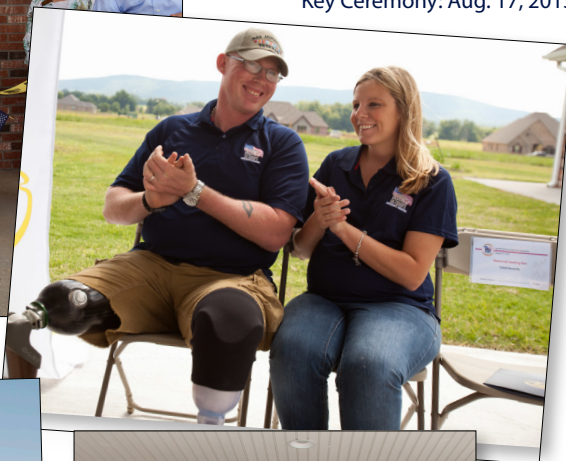
MISSION MILESTONES

Thousands of supporters volunteered their time to attend the many Groundbreakings, Volunteer Days and Key Ceremonies we held throughout FY 2013.



Sgt Marshall Kennedy, US Marine Corps
Farmington, AR

Groundbreaking: Dec. 15, 2012
Volunteer Day: May 18, 2013
Key Ceremony: Aug. 17, 2013



"Living in a specially adapted home provided by Homes for Our Troops will make our transition to civilian life and our daily living so much easier. This is truly a blessing for our family. Thank you for this opportunity."

– Sgt Marshall Kennedy



SSG Earl Granville, US Army
Lackawanna, PA

Build Brigade: June 29, 2012
Volunteer Day: Aug. 18, 2012
Key Ceremony: Dec. 22, 2012



"A specially adapted house will help my family and me by making my day to day living so much easier and will help get more of my independence back. Thank you for your time and effort, and for helping our wounded Veterans and giving them so much"

– SSG Earl Granville



Cpl Christopher Montgomery, US
Marine Corps, Mobile, AL

Build Brigade: Aug. 24, 2012
Volunteer Day: Nov. 10, 2012
Key Ceremony: July 14, 2013

"Everybody needs a place to come home to at the end of the day...this accessible home is what I am looking forward to."

*Thank you for everything...
this means a lot to me."*

– Cpl Christopher Montgomery





2013 BOARD OF DIRECTORS

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BUILDING HOMES, REBUILDING LIVES

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