

Homes for Our Troops

2014 ANNUAL REPORT



866-7-TROOPS • www.hfotusa.org

A Letter from Our President

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

Dear Friends,

Thanks to your support, we were able to increase our ability to Build Homes and Rebuild Lives through FY 2014, and deliver freedom and independence to 33 severely injured Veterans through the gift of a specially adapted home. We also ushered in 23 new Veterans into the Homes for Our Troops program. Based on the progress we made in 2014 and our current projects, we anticipate our number of new home recipients will reach 200 this coming fall. This milestone is the result of hard work over the last 11 years, and the outstanding efforts of constituents, corporate stakeholders and staff members. It is work we proudly do in honor of the sacrifices made by our nation's Service Members.



FY 2014 was another successful year of providing specially adapted homes to our Nation's most severely injured Veterans in a fiscally responsible manner. Since our inception in 2004, nearly 90 cents of every dollar donated to our cause directly supports our Veterans (89.4 percent for FY 2014). We have also 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.

As you review this report, I ask you to think of the ways you too can continue to help Homes for Our Troops and assist in our efforts to provide specially adapted, mortgage-free homes for the hundreds of severely injured Veterans nationwide who still need our services.

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 blue ink that reads "Timothy P. McHale".

*Thank-you for making
a big difference in
our Veterans' lives!*

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

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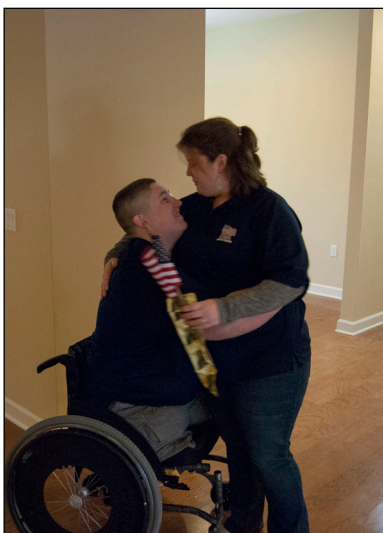
THE URGENT NEED

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 2,000 Veterans have sustained 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 Americans with Disabilities Act (ADA) compliance. Among the 40 major special adaptations in our single-level homes are open floor plans, roll-in showers, roll-under cook tops, 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.



BUILDING HOMES, REBUILDING LIVES

Mission: To build mortgage-free, specially adapted homes nationwide for severely injured Veterans Post-9/11, to enable them to rebuild their lives.



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/her 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/COMMUNITY KICK OFF This event is where it all begins and serves as 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 officially start the build process. 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 or Community Kick Off, 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 freedom and independence, and the Veterans are now able to live in their forever home.

FINANCIAL INFORMATION

REVENUES

In 2014, Homes for Our Troops received more than 27,000 monetary gifts from individuals, companies, organizations and foundations across the United States. Additionally, almost 700 individual donors showed their commitment to our mission by joining Operation Lasting Support, HFOT's monthly giving program.

These monetary donations are used to purchase all land, home construction materials and tradesman services that are not donated, as well as cover operating expenses. Since our inception in 2004, more than 60 percent of our revenues have been from individual donors, fundraisers and foundations. It is only through the commitment of these patriotic and generous supporters that Homes for Our Troops can further its mission of helping severely injured Veterans regain their freedom and independence through the gift of a specially adapted home.

HFOT also receives a significant amount of in-kind donations of home construction materials and professional labor. These gifts allow us to stretch our monetary donations further to assist more severely injured Veterans. HFOT received \$3.7 million in contributed materials and services in FY14.

EXPENSES

In 2014, Homes for Our Troops drew down its reserve to use those funds to build more homes for Veterans, resulting in a change in assets of minus \$3.4 million. HFOT maintains its top-rated charity status by being fiscally responsible with your donations and keeping administrative and fundraising costs at a minimum. Since 2004, nearly 90 cents of every dollar donated to HFOT has gone directly to program services for Veterans, with 89.4% going to directly support them in FY14. We are especially proud of this track record and of helping over 190 of our nation's severely injured Veterans rebuild their lives through the gift of a mortgage-free specially adapted home.

A complete copy of the certified public accountant report for Homes for Our Troops is available on our website and on request.

Homes for Our Troops

FINANCIAL STATEMENT EXCERPTS

Fiscal Year Ending September 30, 2014

REVENUES

Contributions	\$13,824,000
Donated Materials and Services	\$3,718,000
Investment Income	\$149,000
Total Revenues	\$17,691,000

EXPENSES

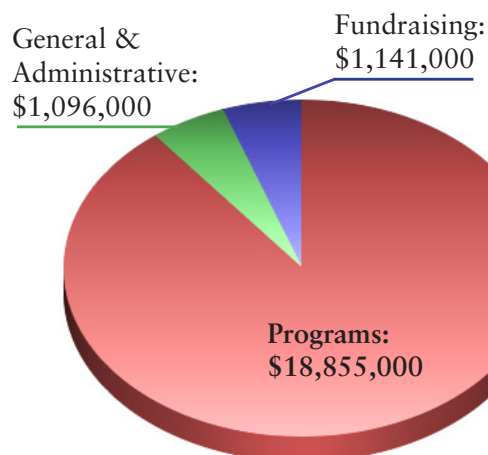
Programs	\$18,855,000
General and Administrative	\$1,096,000
Fundraising	\$1,141,000
Total Expenses	\$21,092,000

Change in Net Assets **<\$3,401,000>**

Net Assets, start of year **\$18,074,000**

Net Assets, end of year **\$14,673,000**

EXPENSES



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 its 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 2015, Homes for Our Troops has completed over 190 specially adapted homes.

★ Currently, more than 50 Veterans' home projects are underway.



MISSION MILESTONES



"Having an accessible home, built to meet my specific needs has erased some of those challenges, giving me back my independence and also giving much more hope for me and for my family's future. Thank you."
 -SPC Brett Bondurant, US Army, Indiana



"Leaving the military is scary, leaving it as a disabled Veteran is terrifying...having an accessible house to call my home gives peace of mind to me and to my family. It truly warms my heart to see the amount of support and love our military receive; it makes me proud to be an American."
 -Cpl Ammon Lang, US Marine Corps, Washington



"Thank you for dedicating your time to help military families and making life more comfortable for them. My life is easier now that I have less challenges in my home."
 -LCpl Anthony Yanez, US Marine Corps, Oklahoma

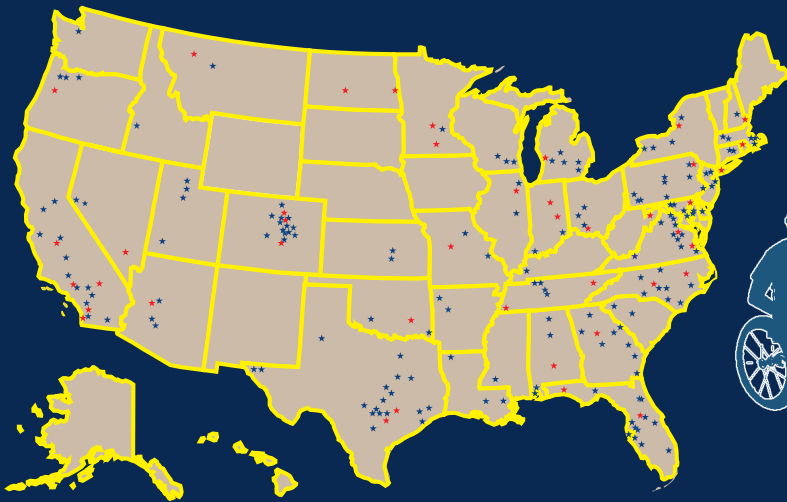
"Thank you for supporting Homes for Our Troops. I am grateful to all who are supporting our injured service members and their families...this home not only allows me to be more independent, it enables me and my wife to continue to rebuild a successful and productive life together."
 -SSG Alex Dillmann, US Army, Florida



Homes for Our Troops

FACT SHEET

VA estimates over **2,000** severely injured Post-9/11 Veterans nationwide



Map of Our Specially Adapted Home Projects

★ Under Construction ☆ Completed Homes



Limb amputations

Traumatic brain injury (TBI)

Spinal Cord Injuries / Paralysis

Burns

Residual limb damage

2650 sq ft

of full wheelchair accessibility

Over **40** major special adaptations



186,000

Mission supporters nationwide

Veteran pays

\$0 (ZERO)

for home

National average to build a specially adapted home

\$430,000

— www.hfotusa.org —