



1999

LOOKING BACK

More than 14,000 volunteers join in the Philippines to build 293 houses during JCWP.

Our Commitment to Sound Stewardship

Habitat for Humanity International endeavors to practice wise stewardship over all funds entrusted to it for its work of building houses with people in need of simple, decent, affordable shelter.

Please note that the figures in this section refer only to Habitat for Humanity International. Habitat affiliates and national organizations are independent, autonomous nonprofit corporations whose revenues and expenditures are not included in these financial statements.

Support and Revenue

Habitat for Humanity International is a tax-exempt 501(c)(3) nonprofit corporation supported by those who believe in its work. In addition to individual, corporate and group gifts, revenue comes from bequests and estate gifts, an annuity program and earnings on investments. HFHI also receives substantial support in the form of donated assets and services and through no-interest loans from supporters. Habitat for Humanity participates in select government initiatives such as the Self-Help Homeownership Opportunity Program and the AmeriCorps program in the United States. Government assistance is welcomed to develop infrastructure and to set the stage for house-building.

HFHI ended FY01 with total revenue of \$171,512,234—up 4 percent from FY00. That total includes \$105,176,882 in contributions; \$22,642,985 in government grants; \$12,923,041 in other income; \$29,468,269 of donations-in-kind; and \$1,301,057 in transfers to homeowners, as indicated in the chart on page 17. A similar chart for FY00 is offered for comparison.



More than 12,500 high school and college students spend their spring breaks building houses through Collegiate Challenge.

Expenses

HFHI's expenses are divided into five major categories: Support for U.S. Affiliates; Support for International Affiliates; Public Awareness and Education Expenses, Fund-raising Expenses; and Management and General Expenses.

Expenses for FY01 totaled \$163,996,949—up 20 percent from FY00, primarily attributable to growth in Program and house-building transfers. The chart on page 17 illustrates the ratio of expenses. A similar chart for FY00 is offered for comparison.

Support for U.S. Affiliates

(FY01 total: \$66,167,175)

While U.S. affiliates are largely responsible for raising their own funds to build houses, HFHI provides programmatic support. HFHI's Program expenses for U.S. affiliates in 2001 included costs for land and construction materials for affiliate house-building events in which HFHI was a participant; costs for programs that directly benefited affiliates, such as Campus Chapters and Youth Programs, Church Relations and transfers of gifts-in-kind; costs for maintaining HFHI regional centers throughout the country to support affiliates; and costs for providing training seminars and materials on topics such as construction, safety and accounting, to meet the information needs of affiliates.

Support for International Affiliates

(FY01 total: \$43,185,297)

Most international affiliates are in developing countries where local resources are limited and the need for decent, affordable housing is great. HFHI provides start-up funding to help local residents establish Habitat for Humanity affiliates and begin the building process. Subsequently, international affiliates and national organizations are responsible for raising as much local funding as possible.

Program service expenses for international affiliates include costs associated with house-building; cost of maintaining HFHI area offices; cost of maintaining personnel in direct support of affiliates; and cost of



providing training programs. During the past three years, as part of a decentralization effort that includes moving support services closer to the area being served, HFHI area offices were opened in Budapest, Hungary; San Jose, Costa Rica; Bangkok, Thailand; and Pretoria, South Africa.

International affiliates received a total of \$28,527,810 in international transfers from HFHI in 2001, an amount that included \$9,039,755 from U.S. affiliates that tithe on locally raised funds to support HFHI's work in other countries. Affiliates outside the United States also tithed to support Habitat's work in other countries, often making direct contributions which are not reflected in these financial statements. Tithing is a commitment set forth in covenants signed by all Habitat affiliates.

Public Awareness and Education Expenses

(FY01 total: \$12,436,817)

Expenditures in the previous two categories (support for U.S. and international affiliates) directly relate to Habitat's primary mission of building simple, decent, affordable houses with people in need. Public awareness and education relates to the equally important goal of making decent shelter a matter of conscience and action.

Raising awareness of the need for adequate shelter and Habitat for Humanity's method of responding to that need is done in a wide variety of ways—e.g., through special events such as the Jimmy Carter Work Project; through departments that respond to inquiries from the media and the general public; through Global Village work trips; and through our award-winning Web site, videos and *Habitat World* magazine.

Fund-raising Expenses

(FY01 total: \$36,411,280)

Fund-raising expenses include those incurred in direct mail or telemarketing campaigns and in direct contact with major donors, foundations and corporations.

Expenses in FY01 also included those in support of the More Than Houses: Rebuilding Our Communities campaign, aimed at raising



More than 700 homes built in El Salvador in response to January and February 2001 earthquakes.

\$500 million in additional funding by the end of 2005 to help support the building of the next 100,000 Habitat houses. That funding will help accelerate the rate at which Habitat builds houses. The first 100,000 houses were built in 25 years; we plan to build another 100,000 by the end of 2005.

Many of HFHI's fund-raising appeals result in donations made directly to U.S. affiliates. In such cases, HFHI bears the fund-raising expense but does not reflect the resulting donations as revenue.

HABITAT'S UNAUDITED COMBINED FINANCIALS

A GLOBAL PERSPECTIVE

The audited financial statements of Habitat for Humanity International reflect only part of the story of Habitat for Humanity's scope of work throughout the world.

As autonomous nonprofit organizations, Habitat for Humanity affiliates and national organizations keep their own records of revenues and expenditures. Those figures are not included in the financial statements of Habitat for Humanity International.

To better demonstrate the magnitude of the movement, HFHI annually compiles combined financial statements for HFHI and selected affiliates. This unaudited report includes financial information from many of the largest U.S. affiliates. Based on that information and other material, estimates of finances for the remaining U.S. and inter-

national affiliates are computed to produce organization-wide figures.

For the fiscal year ended June 30, 2000, we estimate the entire Habitat for Humanity movement grossed about \$549 million in revenue: \$331 million in cash contributions; \$56 million in gifts in kind; \$101 million in transfers to homeowners; and \$61 million in other support. Revenue for U.S. affiliates and international affiliates/national organizations totaled \$383 million.

Overall, Habitat for Humanity's estimated expense ratios in FY00 were 79 percent program, 11 percent fund raising and 10 percent management and general expenses.

Note: Figures for combined financials lag one year behind the current report year because extra time is required to gather and compile such extensive data.



Management and General Expenses

(FY01 total: \$5,796,380)

Management and general expenses include staffing for non-program departments, supplies, utilities, building maintenance and other costs incurred in the day-to-day operations of Habitat for Humanity International.

MORTGAGES

A GLOBAL PERSPECTIVE

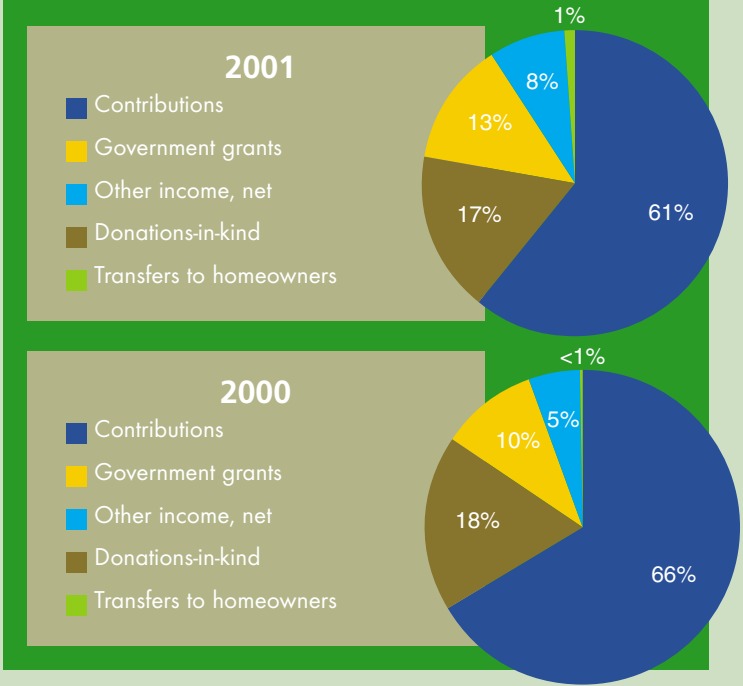
For the fiscal year ended June 30, 2000, Habitat for Humanity's worldwide mortgage receivables were estimated at more than \$700 million. This figure was ascertained as part of a report done annually, based on combined financial statements for Habitat for Humanity International and selected affiliates.

Mortgage receivables represent the outstanding mortgage balances of Habitat for Humanity homeowners. Those funds, as they are paid, are used by Habitat for Humanity affiliates to build more houses. In this way, homeowners not only receive help but also have the opportunity to lend a helping hand to others.



Another 100,000 Habitat houses built worldwide, bringing the total to 200,000.

Revenues and Gains (Includes unrestricted and temporarily restricted)



Expenses

