

**(Cover) BULGARIA:** A boy plays in an unfinished Soviet-era building, on a vacant lot on the outskirts of Sofia. Habitat for Humanity Bulgaria offers loans to families to rehabilitate their apartments. Photo by EZRA MILLSTEIN.

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STEFAN HACKER

**‘Indifference is no longer an option’**

We at Habitat for Humanity always have had a sense of divine urgency about our mission. How could we not? More than a billion and a half people around the world live in substandard housing and some 100 million people are homeless. Those appalling figures are regularly compounded by natural disasters such as tsunamis, earthquakes and hurricanes, and by the proliferation of slums and informal settlements that spring up as people in developing countries flock to already overcrowded cities in the hope of finding work.

Habitat alone cannot solve this problem. In FY2008, we served 55,000 families worldwide through new, rehabbed and repaired homes. That is 6,000 more families than we helped the year before, but it is still too small a response to a problem of such magnitude.

Habitat’s mission, though, goes beyond building and refurbishing houses. We are a powerful catalyst for change. We can’t solve the global housing problem alone, but by partnering with individuals, faith communities, corporations, nonprofits, government agencies, and other institutions, we can create the conditions that will make a solution possible.

No one who has ever helped Habitat raise a house will ever be indifferent to the pain of poverty housing again. Once those who work with us see the joy that lights up the faces of new homeowners, once they see how decent housing raises health and educational standards in poor communities, once they see how Habitat’s mere existence gives hope to the masses of people around the world who currently live in squalor, indifference is no longer an option. They catch our sense of urgency and they pass it on to others.

We speak of Habitat as a mission, and it is. Every year we are persuading ever-increasing numbers of people that poverty housing can and must be banished from the face of the earth. That is why Habitat is needed now, more than ever. With your help, there is hope.

Sincerely,

Jonathan T.M. Reckford  
Chief Executive Officer  
Habitat for Humanity International

USA: Tony Backus, 25, and Tiffany Dellsperger, 24, lost everything in Hurricane Katrina, but built a new house with Lauderdale County Habitat for Humanity in Mississippi.



STEFAN HACKER

Habitat for Humanity families served by region in FY2008

	New	Rehabs	Repairs	TOTAL
Africa/Middle East	3,228	2,530	1,956	7,714
Asia/Pacific	9,482	1,927	12,923	24,332
Europe/Central Asia	199	718	939	1,856
Latin America/Caribbean	5,719	4,051	5,620	15,390
United States/Canada	5,017	623	527	6,167
<b>TOTALS</b>	<b>23,645</b>	<b>9,849</b>	<b>21,965</b>	<b>55,459</b>

## More families than ever in FY2008

### 55,000 families...

... worldwide were served through the work of Habitat in FY2008, with new, rehabbed and repaired houses. That's 6,000 more families touched by the Habitat ministry than the year before. For Tony Backus and Tiffany Dellsperger, above, Habitat for Humanity means a better life after losing their home and neighborhood in Hurricane Katrina. For their children Hailee, 5, and Hayden, 2, a house of their

own means a light pink bedroom and a stable home after the family lived with relatives or shared a small trailer for more than two years. The family's new house is right next door to the house where Dellsperger's father lives, in a rural community outside the city of Meridian, Mississippi. It's a new life they once never dreamed possible.



BRAZIL: In a Goiania slum, houses are pieced together from scraps by squatters.



EZRA MILLSTEIN

## But the need is greater than ever.

As more families searching for work move to cities in developing countries, slums and squatter villages grow exponentially. There is no affordable place left to live in the already congested cities.

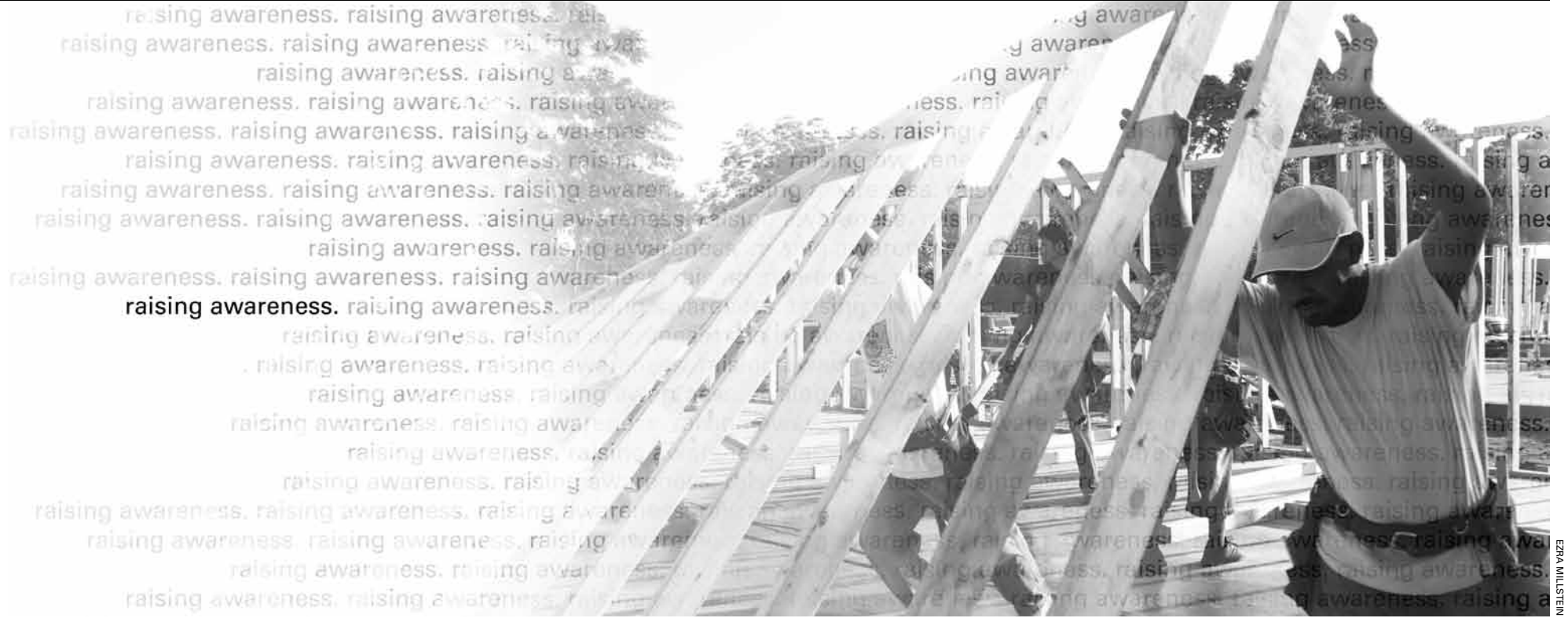
Disasters—the 2008 earthquake in China’s Sichuan province, the 2004 tsunami in the Indian Ocean and the devastating

2005 hurricanes on the U.S. Gulf Coast, among many other typhoons, floods and cyclones—swell the numbers of families in need of decent, affordable housing.

The worsening world economy has created a crisis, sending the number of people needing homes skyward from an already unfathomable 1.6 billion.

The children pictured above walk through the pieced-together shacks of the Favela dos Trilhos in Goiania, Brazil, where they have to play amid rotting garbage. For this boy and girl, and millions like them, Habitat for Humanity means hope.

USA: Builders raise house frames in Birmingham, Alabama, on the first day of the 2008 Home Builders Blitz. Habitat partnered with home builders across the U.S. for the one-week blitz.



EZRA MILLSTEIN

# Raising more awareness (and houses) than ever

## The Carter Project, other special builds remind the world of the need for housing

Every day, Habitat volunteers and partner families are building somewhere, sometimes unnoticed by the larger world. To remind everyone of the pressing need for decent

housing and to grow the numbers of families served each year, Habitat plans major building events throughout the world to rally volunteers, donors and the general public.



**FAMILIES:** From left, Conceta Chavez, 18 months, watches volunteers construct her family's house during the 2008 Lent Build in Mexico; homeowner Christine Logan in her future house during the 2008 Jimmy & Rosalynn Carter Work Project in Pascagoula, Mississippi.



EZRA MILLSTEIN



STEFFAN HACKER

### **Jimmy & Rosalynn Carter Work Project 2008**

At Habitat affiliates from Mobile, Alabama, to Houston, Texas, volunteers from all over the world poured into the U.S. Gulf Coast to help Jimmy and Rosalynn Carter build houses May 11-16, 2008. The Carter Work Project brought the world's attention back to the families who still need homes after the 2005 hurricanes Katrina and Rita. More than 200 houses were begun throughout the Gulf region to celebrate the 25th Jimmy & Rosalynn Carter Work Project. The host site was in Mississippi—with builds in Gulfport, Pascagoula and Biloxi—but more than a dozen other Gulf Coast affiliates, large and small, joined efforts that week and throughout the year to honor the Carters, Habitat's most famous volunteers. By the end of FY2008, three years after Katrina and Rita, nearly 1,300 Habitat houses had been built along the coast. Construction continues, and the number of families served keeps growing.

### **Among Habitat's other major building events in FY2008:**

#### **Korean Blitz Build**

Habitat for Humanity Korea has held blitz builds each year since 2001, when it hosted the Jimmy Carter Work Project. In August 2007, about 800 volunteers helped build 56 homes in six areas of the country. HFH Korea's affiliates in Cheonan, Chuncheon, Daegu, Gunsan, Jinju and Northern Gyeonggi hosted volunteers during the five-day event.

#### **Euro 2007 Habitat Build**

In September 2007, some 650 volunteers went to the city of Radauti in northern Romania to help build 27 houses with families in need of safe, decent and affordable homes. Ambassadors, politicians, corporate leaders and European Union representatives worked side-by-side with volunteers

and homeowners in doing their part to build the dreams of the 27 families who had been living in poverty housing. The goal of this Europe-wide event, immediately following Romania's and Bulgaria's admittance to the European Union, was to build a house for each country in the EU.

#### **The Jimmy Carter Work Project 2007**

Building on two sites—in South Central Los Angeles and overlooking the port of Los Angeles in San Pedro, California—the Oct. 28 - Nov. 2 Los Angeles project featured multi-family condos and duplexes. It was the first Carter Project to be LEED-certified (Leadership in Energy and Environmental Design) by the U.S. Green Building Council. In addition to using environmentally sound methods and materials, LEED-certified homes are cheaper for families to maintain because energy costs are lower.

USA: On the roof of a multi-family housing project in Los Angeles during Jimmy Carter Work Project 2007.



EZRA MILLSTEIN

#### **The Lent Build – Mexico City**

Nearly 200 volunteers traveled to Mexico for the 2008 Lent Build, Feb. 4-March 22, helping to build more than 20 houses with families in need in two locations near Mexico City.

#### **Africa and the Middle East: 50,000 houses**

On March 27, 2008, Habitat for Humanity Africa and the Middle East celebrated the 50,000th house built in the region. The event coincided with a second milestone, as Habitat for Humanity Egypt finished its 10,000th home. To celebrate these major achievements, a build took place in El Minya, Egypt. Attending the event were community leaders; government officials, including the Minya governor and heads of city councils in Egypt; homeowners; and national, regional and international Habitat for Humanity staff and supporters. In April 2008, Habitat celebrated the completion of its 50,001st house in the Africa and Middle East region in Lilongwe, Malawi.

#### **U.S. National Women Build Week**

National Women Build Week, the latest national initiative of Habitat's Women Build program, which is underwritten by Lowe's, celebrated the compassion, dedication, talents and abilities of women from all walks of life. More than 150 Habitat affiliates across all 50 states hosted build days during the inaugural National Women Build Week, May 4-10, 2008.

#### **Home Builders Blitz 2008**

From May 31 to June 7, 2008, more than 1,000 building industry professionals helped 110 Habitat affiliates create 263 new homes across the United States. Home Builders Blitz 2008, Habitat's largest single house-building event of the year, also brought affiliates together with local builders, contractors and suppliers—helping to establish relationships that will strengthen affiliates' work on an ongoing basis.



MACEDONIA: Levent Edipov works on an addition to his home in Veles built through a loan from a housing microfinance program. He, his wife and three children will share the home with in-laws.



STEFAN HACKER

## More innovations, creativity than ever

Habitat for Humanity's unique grassroots network of affiliates and national organizations in 90 countries around the globe gives the ministry an urgent, hands-on approach that works to meet the housing needs and crises of different families and different places. This means using indigenous

and sustainable materials in construction, encouraging flexibility in programs and partnering with other organizations at work in a region. Set in the framework of Habitat's mission and guiding principles, these ongoing innovations were part of the work in FY2008:

# Housing microfinance

## Small loans make a big difference for families

In this world of many different countries, cultures and climates, Habitat has never had a one-way approach to building with families in need of decent housing. The cost of housing combined with very low incomes in developing countries has inspired innovative solutions to make loans small enough to be affordable so that more families can improve their living conditions. Housing microfinance is less familiar than traditional microfinance, through which small loans help people buy tools to make a living: a sewing machine or seeds for a small garden to produce a crop to sell at market. Housing microfinance uses small loans to build better lives and futures through better housing.

Habitat often partners with other organizations at work in an area to create and support housing microfinance: for example, the Women's Union in Vietnam, Opportunity International (Moznosti) in Macedonia, the Center for Community Transformation in the Philippines and Vision Fund Mongolia in Mongolia.

The exact approach to housing microfinance varies, but Habitat's "Save & Build" program and "Building in Stages" are used in many countries on several continents.

### 'Building in Stages'

The "Building in Stages" program builds or repairs houses incrementally, with families using one small loan for a metal roof and paying that loan off before seeking another micro-

loan to install a concrete floor, for example. Or a partner family might qualify for a one-room house, and repay the loan in one or two years. Once that loan is repaid, the family can apply for a new loan to add on a room or make other renovations. This approach makes improvements in housing available to people who can't afford to pay for a new house or a whole-house solution.

In FY2008, Macedonia's housing microfinance program was honored as a top-three finalist in a worldwide competition for the most innovative development project of 2007 by The Global Development Network, a World Bank-affiliated research and development institution.

### At work in Macedonia

In partnership with Opportunity International (Moznosti), Habitat Macedonia established a home improvement fund to help families renovate or repair their substandard housing. Families receive small loans from the fund, which they then repay over five years. Habitat also provides construction expertise and planning to families.

Dejan Bogdanovski used to live in the village of Aracinovo, close to Skopje, where three generations shared one house: his parents, him and his wife, and their 3-year-old son, Stefan. In the 2001 civil conflict in Macedonia, the extended family's house was badly damaged, and so, the family moved

to a safer village to build a new home. They didn't have money to install a decent floor or toilet, so they had to move to a state shelter to avoid freezing in the winter.

With the help of a Habitat micro-loan, Bogdanovski renovated his home in just a few months. The entire family worked to replace the floor and build a bathroom. Their house was warm in time to welcome a new baby this winter.

### 'Save & Build'

The power of working together becomes concrete in Habitat's "Save & Build." Several low-income families form a savings group of about 10 to 12 members. The group elects its own leaders and is self-governing. Each family saves a little every day—sometimes 15 cents—for about six months. After families are able to save enough for an initial down payment, the group has enough money to build one house. Depending on the location and cost, Habitat for Humanity provides funds and volunteers to build several more houses. Often the houses are only one or two rooms. The group decides the order in which families get new houses.

After the first round of house-building, the group saves again to build more houses. The save-and-build cycle then repeats itself. "Save & Build" helps homeowners build equity in their homes quickly and helps establish their ability to save and manage money, so families also build the assets and collateral to use more traditional sources of credit in the future.

LESOTHO: Habitat builds houses for AIDS orphans. Then caretakers, such as the one who holds the hand of a small child, at right, help brothers and sisters from different families bond into a new family.



STEFFAN HACKER



STEFFAN HACKER

## Orphans and vulnerable children

### Homes for children, caretakers in Africa

The AIDS pandemic in Africa has left millions of children without a place to live—or a father or mother who could partner with Habitat to build a house. By 2010, 18 million African children under the age of 18 will have lost either their mother or father or both parents to AIDS.

Habitat for Humanity has responded by providing healthy, secure shelter for orphans and vulnerable children and their caregivers in Lesotho, Mozambique, South Africa, Uganda and Zambia.

A five-year program begun in 2006 and funded by USAID's PEPFAR (the President's Emergency Plan for AIDS Relief) ultimately will shelter 4,200 children. A new USAID grant in 2008 will shelter another 2,700 children in 900 homes.

Habitat also has partnered with World Vision and Comic Relief to build more houses for orphans and vulnerable children. Because the needs of these children are so great, Habitat partners with many other community-based organizations to help the children of this crisis.

The caretakers—usually grandmothers but occasionally young women, older sisters or brothers—are often selected and trained by a Habitat partner church organization, for example. These reconstructed families, made up of children who may not be related to one another, are small enough so children feel as if they are part of a new family, not living in an institution.

Habitat also is working to ensure that widows or grandmothers and children can inherit and hold family property. For example, traditional practice in Mozambique had denied women and children rights to any property after the death of a husband or father. Habitat Mozambique has developed a two-day training program that includes help in writing a will to ensure that family assets, including the house, are passed down to children. The training includes discussion of the laws and rights of women and their children, as well as discussion of the effect of traditional practices—what happens, for instance, when a brother-in-law takes family land after his brother dies, removing the original family. Local government officials are part of the training, to reinforce the idea that laws support inheritance for women and children.



# Advocacy

## The voice for decent, affordable housing

Working for housing for low-income families means speaking up as well as building up. Habitat for Humanity was active in FY2008 in motivating advocates in the United States.

Advocates e-mailed more than 84,000 letters to members of Congress, urging them to prioritize issues important to Habitat throughout FY2008.

Habitat for Humanity created a U.S. network of more than 40,000 online advocates, who e-mailed 22,000 letters to members of Congress in support of legislation creating a National Housing Trust Fund and Neighborhood Stabilization Fund.

In June, at the Habitat on the Hill legislative and advocacy conference in Washington, D.C., advocates from Habitat affiliates and Habitat for Humanity International staff met with 350 members of Congress or their staffs to seek support for housing issues. More than 130 representatives from Habitat affiliates attended Habitat on the Hill. HFHI provided advocacy training to 36 affiliates, 14 state support organizations and 17 campus chapters. Habitat's efforts during Habitat on the Hill were not in vain: Congress passed the housing stimulus package in July, with Habitat-supported provisions intact.

An ambitious advocacy training program started in January 2008 has trained more than 365 groups within the Habitat family to be better advocates.

Two congressional policy forums on Capitol Hill focused on Habitat's work as it relates to women and property rights issues. Advocates were also educated and mobilized to write to their members of Congress about the importance of focusing on women to help increase women's access to housing and reduce poverty. This inspired 6,855 people to take action on the Global Resources and Opportunity for Women to Thrive (GROWTH) Act action item and 19,515 letters were sent to Congress. Habitat also worked in coalition with other organizations to strategically advance the GROWTH Act through Congress.

In addition to these national initiatives, Habitat for Humanity is at work every day advocating for better housing for low-income families. Here are a few success stories from FY2008:

**Habitat for Humanity Ohio:** The Ohio state support organization participated in a successful advocacy campaign for payday lending reform by testifying before state Senate finance committees and mobilizing support for reform. The legislation, which was signed into law on June 2, 2008, caps the annual percentage rate that payday lenders can

charge. Rather than charging up to 391 percent interest on payday loans, lenders are now limited to a maximum of 28 percent.

**Habitat for Humanity Cobb County (Georgia):** This affiliate has worked to overcome zoning restrictions and "NIMBYism" (not in my backyard) in the county. Such concerns threatened the rezoning of a planned Habitat community in Mableton. By educating public officials about what Habitat houses actually look like, bringing officials out to the worksite, and providing concrete examples (especially pictures), the affiliate obtained buy-in from county officials. Recently, the affiliate finished construction of a 17-home community. Current projects include communities of 19 homes, 32 homes and 25 homes.

**Metro Louisville (Kentucky) Habitat for Humanity:** This affiliate worked to create a local housing trust fund after a state housing trust fund became law. Housing trust funds are distinct accounts established by state or local governments to support affordable housing initiatives with a dedicated source of public funds. In 2005, the "Open the Door Kentucky" campaign helped establish the state housing trust fund; the "Open the Door Louisville" campaign helped create a local housing trust fund in May 2008.

USA: Hard hats await volunteers on a Habitat build site.



ESRA MULLSTEIN

## Partnership

### Thrivent, Habitat at work together

Thrivent Builds with Habitat for Humanity, a four-year, \$125 million home-building alliance between Thrivent Financial for Lutherans and Habitat for Humanity International, is one of the largest alliances in Habitat history. Since 2006, this alliance has expanded the home-building capacity of U.S. Habitat affiliates by 6 percent annually.

The enthusiasm of those who volunteer with Thrivent Builds is infectious. Donna Mulder, a 2008 volunteer who helped with the construction of a Thrivent Builds home in Biloxi, Mississippi, said, “I am a changed person from my week in Biloxi. I’m not quite sure yet what that means, but I do know I look forward to future trips, future opportunities to make a difference in the life of someone who needs it. And I hope it’s something I can share with those around me, especially those who haven’t had the chance to experience a build trip like this.”

Mulder was one of more than 100,000 volunteers who responded to the encouragement from Thrivent Financial for Lutherans to support the conjoined efforts of the two organizations.

The two principal programs of this unique alliance—Thrivent Builds Homes and Thrivent Builds Worldwide—have melded the efforts of Habitat affiliates, Lutherans, Thrivent members, partner families and other volunteers, who, in calendar year 2008, constructed 313 homes in 42 states and 183 homes in other countries. The Thrivent Builds Homes program works within the Habitat model of home-building with a greater concentration on recruiting Lutheran and Thrivent-member volunteers. The Thrivent Builds Worldwide program operates within Habitat’s Global Village program, sending Thrivent-led volunteer teams to select locations in the United States and around the world to help build homes.

Late in 2007, Thrivent Builds Worldwide piloted a successful “Thrivent Builds Worldwide Community” concept, concentrating additional funding and volunteer efforts to create entire communities of Habitat homes in specific locations where there was intense need for decent, affordable shelter. In response to the devastation of Hurricane Katrina, Thrivent Financial for Lutherans

committed \$2.5 million to Habitat for Humanity of the Mississippi Gulf Coast in calendar year 2008 to build up to 40 homes in three cities along the coast—28 of which are on Thrivent Lane in the community called Long Beach. An international community site was a pilot project for five teams in Santa Ana, El Salvador. Because of positive feedback, Thrivent Builds volunteers will build a community of 75 homes there in 2009-2010.

The Thrivent Builds alliance is administered by the Alliance Strategy Office, a virtual team made up of Habitat and Thrivent Financial employees. They provide guidance, direction and tools, along with administrative support.

This alliance has been outstanding in its accomplishments, and there is much more planned. Thrivent Financial for Lutherans has announced with great excitement that there will be a substantial commitment beyond the original four years to a fifth year in 2010. For more information, visit [www.thriventbuilds.com](http://www.thriventbuilds.com).

**DISASTERS:** At left, Cyclone Sidr ripped through southern Bangladesh killing 10,000 and leaving this girl among thousands of homeless. With Christian Aid Ministries, Habitat built 480 new homes. Center, in Hua Ta village in Peng Zhou Township, China, Lu Hong Xue, 83, tells how she got out of her house in an earthquake. At right, the daughters of Habitat homeowners Nagooran and Parimalam study in their room in Pondicherry, India, four years after the Indian Ocean tsunami.



MIKEL FLAMM (3)

## Disaster response

### Helping displaced families, working on prevention

Habitat for Humanity works to bring families home again after disasters, wherever they strike. Asia is home to a disproportionately high number of the world's worst recent natural disasters and approximately 80 percent of the world's natural disaster victims, according to a report from the Center for Research on the Epidemiology of Disasters from the Catholic University of Louvain in Belgium.

In May 2008, China was rocked by an earthquake in southwestern Sichuan province, and Cyclone Nargis struck Myanmar. Bangladesh was hit twice by major disasters in FY2008: summer floods and Cyclone Sidr. The Situbondo district in East Java, Indonesia, suffered flooding and landslides in February 2008, even as the region was still rebuilding from the 2004 Indian Ocean tsunami. The effects of earlier disasters are still being felt in China's southern

Yunnan province after the earthquake of June 2007, and in the Bicol region of the Philippines, which was ravaged by Typhoon Reming in November 2006.

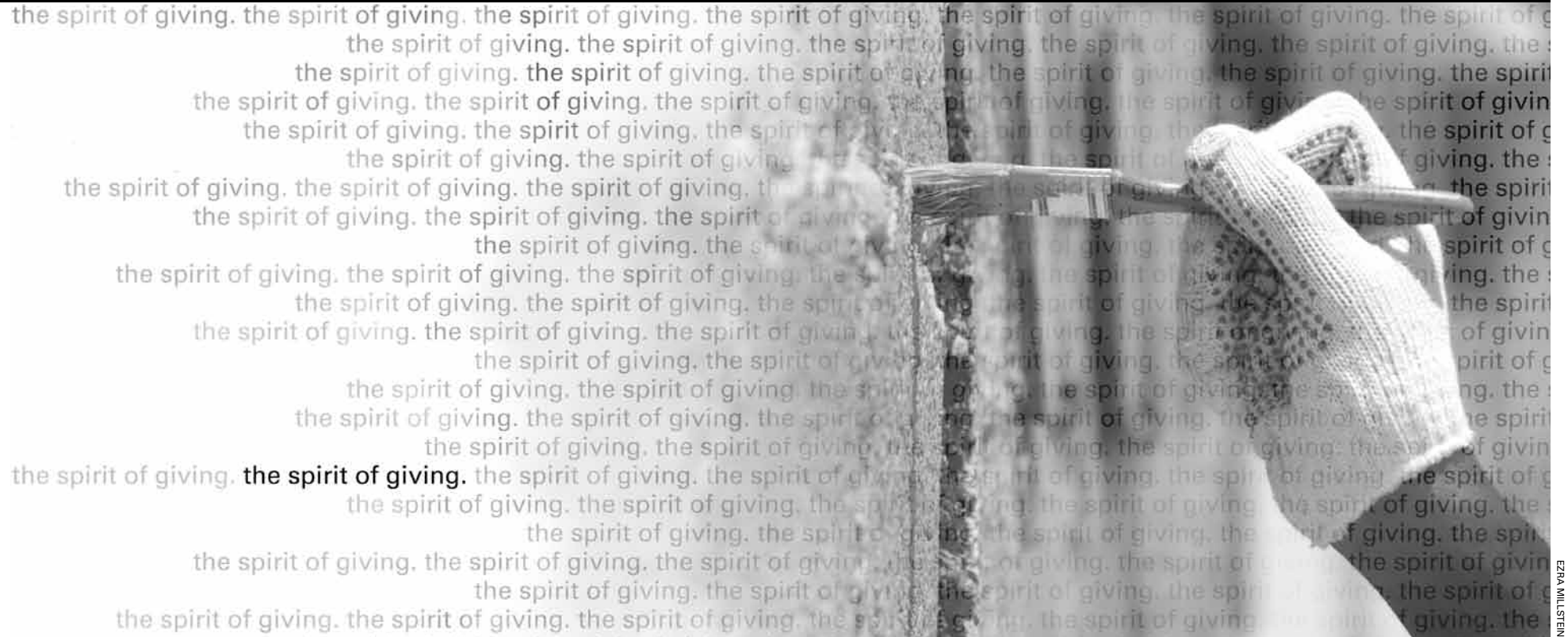
Habitat responded to all these disasters by building and repairing homes. For example, Habitat and its partners have built, repaired or rehabilitated houses and provided other assistance for more than 13,500 families since the 2004 tsunami.

Habitat must balance the tension of meeting the immediate needs of displaced families with its core mission of helping low-income families meet their basic need for safe, decent and affordable shelters. One important strategy is disaster mitigation, teaching families how to lessen the devastation from disasters.

Nearly 9,000 tsunami-affected people have been trained in disaster mitigation in a seven-month program in Tamil Nadu, the state on the southern tip of India, in 41 villages in Cuddalore and Villupuram districts and Pondicherry. The program teaches families how to strengthen their homes and how to react in the face of threats from future flooding, landslides, earthquakes and other disasters. About 500 homes were strengthened.

Habitat also works to reduce future disasters by incorporating building techniques to withstand the high winds of hurricanes and tropical storms. In Pakistan, Habitat is training families in Balakot and northwestern Mansehra in construction methods for earthquake-prone areas. The project offers practical, community-based training to reduce casualties in another earthquake.





ERNA MILLSTEIN

# More than ever, sharing is needed

## The spirit of giving makes Habitat possible

Most of the money that supports Habitat for Humanity's work comes from everyday people who understand what a house can mean to a family's future. These small-in-dollar but big-in-heart donations have sustained the ministry for more than 32 years.

However, corporate partners are also key to the work of Habitat, bringing the enthusiasm of their employees as volunteers, gifts of products needed to construct a home and essential financial support.

USA: Working and growing together are Whirlpool volunteers, from left, Al Bowen, Ryan Sanden and Talisa Garcia, who sit on scaffolding to install siding on a house in Mississippi.



STEFFAN HACKER

Here are some of Habitat's leading donors and some of their contributions since their partner relationships with Habitat started:

**Bank of America:** Since 2002, Bank of America has donated more than 150,000 volunteer associate hours to help build more than 160 houses across the United States and 100 houses in Mexico.

**Dow Chemical Co.:** For 27 years, Dow has been a strong supporter of Habitat, through corporate grants and gifts-in-kind. For example, Dow has donated insulation for more than 25,000 homes worldwide.

**Lowe's:** Through grant programs, project funding, how-to clinics, underwriting the Women Build program, and contributing to Habitat's Asian tsunami and U.S. Gulf Coast recovery efforts, Lowe's has been helping Habitat affiliates in every state and areas of great need since 1996.

**Schneider Electric:** Schneider Electric makes donated electrical distribution equipment available for every Habitat house in the United States. In addition, Schneider Electric has helped build houses as part of Habitat's Gulf Coast recovery effort and other building initiatives.

**The Home Depot Foundation:** The Home Depot Foundation is helping Habitat for Humanity build energy-efficient and sustainable houses through the "Partners in Sustainable Building" initiative. By providing financial and in-kind support, technical resources and training, The Home Depot Foundation will establish a foundation of green-building standards that will help Habitat for many years.

**Thrivent Financial for Lutherans:** Thrivent Builds with Habitat for Humanity has engaged more than 135,000 of its members to help build 1,600 Habitat for Humanity houses worldwide in the four years of the partnership.

**Valspar:** Since 2002, Valspar has supported Habitat for Humanity, contributing paint and cash to Habitat organizations. In addition, Valspar is the driving force behind Habitat's "A Brush with Kindness," a program that offers home repairs to homeowners in need of help.

**Whirlpool:** Since 1999, in addition to their assistance internationally, Whirlpool has donated 90,000 ranges and ENERGY STAR® qualified refrigerators to Habitat for Humanity homes in North America.

**Yale and ASSA ABLOY group:** This valued partner has provided nearly 375,000 locksets to Habitat for Humanity houses across the United States since 2001.

**Citi Foundation:** Over the years, Citi employees have contributed more than 176,000 volunteer hours toward the building of 350 homes in the United States, and an additional 180 build projects in 40 countries around the world.

# A commitment to global stewardship

Habitat for Humanity practices good stewardship with all funds entrusted to its mission of eliminating substandard housing. Using funds wisely allows Habitat to serve more families and communities around the world.

## Revenue

Habitat for Humanity International is a tax-exempt 501(c)(3) nonprofit corporation supported by people who believe in its work. Support comes in the form of contributions from individuals (cash, stock gifts, estate gifts and an annuity program), corporations (cash, donated assets and services), foundations and other organizations.

Government assistance also is welcomed, provided it does not limit Habitat's ability to demonstrate the love and teachings of Jesus. Habitat for Humanity participates in select government initiatives such as the Self-help Homeownership Opportunity Program (SHOP) and the AmeriCorps program in the United States.

Total revenue in FY2008 was \$249.4 million. Total cash contributions in FY2008 were \$188.7 million, \$88.5 million of which were unrestricted cash donations. Government grants had a total of \$20.1 million in FY2008. Also included in total revenue is \$16.5 million in donations-in-kind and \$24.1 million in other income.

## Expense

Habitat for Humanity International classifies expense in three primary categories: program expense, fund-raising expense, and management/general expense. Program expense is further divided into three subcategories: U.S.

affiliates, international affiliates, and public awareness/education. Total expense amounted to \$304.9 million.

## Program expense

In FY2008, Habitat for Humanity International spent a total of \$253.1 million on program expense, representing 83 percent of total expense. These funds were used for direct cash and gift-in-kind transfers to affiliates and national organizations around the world for house construction and other expenses. Program expense included costs for programs that directly benefit affiliates and national organizations, such as youth programs, disaster response, training seminars and information materials. Also included is the cost of evaluating the work of affiliates and national organizations, along with providing technical support.

Included in international transfer expense is \$15.7 million in tithe funds collected from U.S. affiliates and used to support the work of affiliates in other countries. Tithing is a commitment set forth in covenants signed by all Habitat for Humanity affiliates. Affiliates outside the United States also tithed to support Habitat for Humanity's work in other countries, often making direct contributions that are not reflected in these financial statements.

Habitat's program expense also includes costs associated with public awareness and education, including special events such as the Jimmy & Rosalynn Carter Work Project, Global Village work trips, the HFHI Web site, videos, Habitat World magazine and other costs to respond to the public and media.

## Fund-raising expense

In FY2008, fund-raising expense totaled \$38.3 million, representing 13 percent of total expense. Major fund-raising programs include direct mail and telemarketing campaigns and direct contact with major donors, foundations and corporations. FY2008 saw a continued emphasis on targeted proposals to major donors, and HFHI continued to support

fund-raising efforts in Western Europe. Many of HFHI's fund-raising appeals result in donations made directly to U.S. and international affiliates or other national and international organizations. In such cases, HFHI bears the fund-raising expense but does not reflect the resulting donations as revenue.

## Management and general expense

For FY2008, management and general expense totaled \$13.5 million, representing 4 percent of total expense. This includes costs of staffing (other than program and fund-raising staff), supplies, utilities, building maintenance and other costs from day-to-day operations of HFHI.

## Habitat for Humanity's unaudited combined financials

The audited financial statements of Habitat for Humanity International reflect only part of Habitat's work around 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 because the affiliates do not meet the control and economic interest tests required for consolidation.

To better demonstrate the magnitude of the movement, HFHI annually compiles combined financial amounts for Habitat for Humanity in total. These unaudited amounts include financial information from many of the largest U.S. affiliates, along with estimates for smaller U.S. affiliates and international efforts, to produce organizationwide totals.

For the fiscal year that ended June 30, 2007, we estimate the entire Habitat for Humanity movement grossed \$1.5 billion in revenue: \$700 million in cash contributions and grants, \$100 million in gifts-in-kind, \$400 million in sales of houses and \$300 million in other support. Overall, Habitat for Humanity's estimated expense ratios in FY2007 were 83 percent program, 8 percent fund-raising, and 9 percent management and general expense.





ESRA MILLSTEIN

### 'A force for understanding in a troubled world'

For most of us, Habitat for Humanity is the house being built down the street or across town or on television. What is more difficult to comprehend is the reach and range of Habitat's work.

That "hit home" for me last year during a visit to southern Thailand to look at Habitat's ongoing efforts to aid the victims of the December 2004 Indian Ocean tsunami. My tour included a stop at Koh Khleng, a Muslim community on a tiny island off the Thai mainland.

The tsunami had submerged the whole island under nearly three feet of seawater, so the devastation was enormous. Still, I had the pleasure, with Asia/Pacific vice president Rick Hathaway and Habitat Thailand CEO Panida Panyangarm, of presenting dedication plaques to a dozen home partners who had completed their new dwellings.

I also presented special Habitat savings boxes to 30 families, so they can start saving for new homes of their own. Incredibly, saving 30 baht a day – not even a dollar in U.S. currency – will give each family a down payment for a Habitat house in less than a year.

At the presentation in this Muslim community, I offered prayers along with the local imam. I love seeing Habitat serve people of the Muslim faith. It's a very powerful rebuff to the notion that Christians and Muslims must be in conflict. Nor is Christian-Muslim cooperation the only instance of Habitat bridging deep and longstanding religious, racial, national, social and economic divides.

Habitat is a healing agent in a world that desperately needs healing. Just ask Habitat supporter Jimmy Carter – a Nobel Peace Prize laureate and former President of the United States. FY 2008 marked the 25th Jimmy & Rosalynn Carter Work Project. Since 1984, the former President and First Lady have devoted a week a year to building homes with families desperately in need of decent, affordable shelter around the world.

What keeps them building? The president says food, shelter and health care are the "basic building blocks of peace." Without those essentials, he says, the search for peace is meaningless. Through more than three decades now, Habitat has been demonstrating that a secure home is about much more than the materials used to build it. A good home brings better health and an environment for learning. Improved housing improves communities.

Habitat is bigger than homebuilding. We are a force for peace and understanding in a troubled world. Truly, we are needed now, more than ever.

J. Ronald Terwilliger  
Chair, Habitat for Humanity International  
Board of Directors

# Consolidated Financial Statements

Habitat for Humanity International, Inc.  
Years Ended June 30, 2008 and 2007

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# Report of Independent Auditors

## The Board of Directors Habitat for Humanity International, Inc.

We have audited the accompanying consolidated statements of financial position of Habitat for Humanity International, Inc. (Habitat) as of June 30, 2008 and 2007, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of Habitat's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not

engaged to perform an audit of Habitat's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Habitat's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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 consolidated financial position of Habitat as of June 30, 2008 and 2007, and the consolidated changes in its net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.



October 2, 2008

# Consolidated Statements of Financial Position

	June 30, 2008	June 30, 2007
<b>Assets</b>		
Cash and cash equivalents	\$55,362,660	\$122,405,220
Investments at fair value	149,382,103	130,152,121
Receivables:		
Contributions and grants, net	41,396,432	38,294,750
Affiliate notes, net	23,275,449	20,607,723
Due from affiliates, net	9,207,212	8,467,032
Mortgages receivable, net	4,404,313	3,756,832
Other, net	2,137,327	1,619,480
Total receivables	80,420,733	72,745,817
Inventories, net	1,052,611	1,396,310
Prepays and other assets	1,675,345	5,761,594
Land, buildings, and equipment – net of accumulated depreciation and amortization	13,576,475	13,987,072
	<b>\$301,469,927</b>	<b>\$346,448,134</b>
<b>Liabilities and net assets</b>		
Accounts payable and accrued expenses	\$29,788,365	\$24,808,926
Capitalized lease obligations payable	1,976,069	1,628,365
Due to affiliates	6,129,226	3,844,030
Notes payable	2,360,666	2,203,758
Annuity obligation	8,355,682	7,323,551
Investor notes payable	26,636,258	23,996,575
Total liabilities	75,246,266	63,805,205
Net assets:		
Unrestricted	32,340,392	47,651,762
Temporarily restricted	193,883,269	234,991,167
Total net assets	226,223,661	282,642,929
	<b>\$301,469,927</b>	<b>\$346,448,134</b>

See accompanying notes.



# Consolidated Statements of Activities and Changes in Net Assets

	Year Ended June 30, 2008			Year Ended June 30, 2007		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenues and gains</b>						
Contributions	\$88,459,047	\$100,233,502	\$188,692,549	\$100,277,804	\$195,771,402	\$296,049,206
Donations in-kind	8,861,501	7,658,626	16,520,127	5,101,639	16,267,684	21,369,323
Government grants	20,074,439	–	20,074,439	20,930,987	–	20,930,987
Other income, net:						
Interest and dividend income	8,995,905	–	8,995,905	7,645,652	–	7,645,652
Realized and unrealized gain (loss) on investments	(911,461)	–	(911,461)	1,068,970	–	1,068,970
All other	16,029,608	–	16,029,608	16,399,170	–	16,399,170
Total other income, net	24,114,052	–	24,114,052	25,113,792	–	25,113,792
Total revenues and gains	141,509,039	107,892,128	249,401,167	151,424,222	212,039,086	363,463,308
Satisfaction of program restrictions	148,088,739	(148,088,739)	–	159,336,926	(159,336,926)	–
Total revenues and gains	289,597,778	(40,196,611)	249,401,167	310,761,148	52,702,160	363,463,308
<b>Expenses</b>						
Program services:						
U.S. affiliates	165,237,599	–	165,237,599	172,123,724	–	172,123,724
International affiliates	70,126,389	–	70,126,389	68,632,203	–	68,632,203
Public awareness and education	17,773,405	–	17,773,405	15,941,750	–	15,941,750
Total program services	253,137,393	–	253,137,393	256,697,677	–	256,697,677
Supporting services:						
Fund-raising	38,303,524	–	38,303,524	32,271,759	–	32,271,759
Management and general	13,468,231	–	13,468,231	12,163,966	–	12,163,966
Total supporting services	51,771,755	–	51,771,755	44,435,725	–	44,435,725
Total expenses	304,909,148	–	304,909,148	301,133,402	–	301,133,402
Losses (recoveries) on contributions and MFI receivables	–	911,287	911,287	–	(62,305)	(62,305)
Total expenses and losses on contributions and MFI receivables	304,909,148	911,287	305,820,435	301,133,402	(62,305)	301,071,097
Change in net assets	(15,311,370)	(41,107,898)	(56,419,268)	9,627,746	52,764,465	62,392,211
Net assets at beginning of year	47,651,762	234,991,167	282,642,929	38,024,016	182,226,702	220,250,718
Net assets at end of year	\$32,340,392	\$193,883,269	\$226,223,661	\$47,651,762	\$234,991,167	\$282,642,929

See accompanying notes.

## Consolidated Statements of Cash Flows

	Year Ended June 30, 2008	Year Ended June 30, 2007
<b>Operating activities</b>		
Change in net assets	\$(56,419,268)	\$62,392,211
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,013,368	2,931,027
Net (gain) loss on disposal of land, buildings, and equipment	15,025	(183,579)
Losses (recoveries) on contributions and MFI receivables	911,287	(62,305)
Losses on other receivables	1,557,308	532,934
Change in reserve for inventory obsolescence	-	(36,977)
Net realized and unrealized (gains) losses on investments	911,461	(1,068,970)
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	(5,990,989)	18,004,530
(Increase) decrease in inventories	343,699	(56,837)
(Increase) decrease in prepaids and other assets	4,086,249	(2,818,383)
Increase in accounts payable and accrued expenses	4,979,439	4,004,625
Net cash (used in) provided by operating activities	(46,592,421)	83,638,276
<b>Investing activities</b>		
Purchases of investments	(272,563,567)	(443,493,890)
Proceeds from sales and maturities of investments	252,422,124	441,462,409
Loans to affiliates	(13,673,695)	(3,692,030)
Repayments from affiliates	9,521,173	10,202,576
Purchases of land, buildings, and equipment	(2,840,794)	(4,850,936)
Proceeds from sale of land, buildings, and equipment	222,998	426,279
Net cash provided by (used in) investing activities	(26,911,761)	54,408
<b>Financing activities</b>		
Proceeds from capitalized lease obligations payable	1,157,510	1,399,472
Principal repayments on capitalized lease obligations payable	(809,806)	(908,881)
Increase in due to affiliates	2,951,751	3,793,626
Payments on due to affiliates	(666,555)	-
Proceeds from notes payable	394,425	29,721
Principal repayments on notes payable	(237,517)	(463,712)
Increase in annuity obligation	1,680,886	677,568
Payments of annuity obligation	(648,755)	(731,548)
Proceeds from issuance of investor notes payable	8,892,000	-
Payments on investor notes payable	(6,252,317)	(7,623,362)
Net cash (used in) provided by financing activities	6,461,622	(3,827,116)
(Decrease) increase in cash and cash equivalents	(67,042,560)	79,865,568
Cash and cash equivalents:		
Beginning of year	122,405,220	42,539,652
End of year	\$55,362,660	\$122,405,220
<b>Supplemental disclosures</b>		
Interest paid	\$1,332,651	\$1,340,816

See accompanying notes.

# Consolidated Statement of Functional Expenses

Year Ended June 30, 2008

	U.S. Affiliates	International Affiliates	Public Awareness and Education	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Program and house building transfers	\$ 103,775,266	\$ 38,352,998	\$ 2,595,531	\$ 144,723,795	\$ -	\$ -	\$ -	\$ 144,723,795
Donated assets distributed	30,022,661	-	-	30,022,661	-	-	-	30,022,661
Salaries and benefits	19,067,793	19,189,983	6,977,888	45,235,664	8,508,336	6,241,395	14,749,731	59,985,395
Payroll tax expense	1,192,046	478,125	420,451	2,090,622	510,100	313,740	823,840	2,914,462
Professional services – direct mail	-	-	-	-	20,751,157	-	20,751,157	20,751,157
Professional services – other	2,318,669	2,265,883	2,576,432	7,160,984	3,633,850	1,826,005	5,459,855	12,620,839
Postage and freight	238,163	128,598	971,939	1,338,700	785,753	90,829	876,582	2,215,282
Travel	2,176,147	3,529,604	1,342,966	7,048,717	937,790	419,750	1,357,540	8,406,257
Printing	244,068	161,175	359,489	764,732	284,101	15,927	300,028	1,064,760
Service agreements and utilities	1,032,613	1,038,607	657,755	2,728,975	1,057,713	1,722,963	2,780,676	5,509,651
Insurance	938,664	146,169	116,034	1,200,867	121,726	147,811	269,537	1,470,404
Interest, service charges, and taxes	902,334	418,903	255,317	1,576,554	573,115	93,082	666,197	2,242,751
Office and equipment	931,017	1,078,846	798,083	2,807,946	284,392	1,265,393	1,549,785	4,357,731
Depreciation and amortization	912,260	643,389	326,800	1,882,449	567,944	562,975	1,130,919	3,013,368
Other	1,485,898	2,694,109	374,720	4,554,727	287,547	768,361	1,055,908	5,610,635
<b>Total</b>	<b>\$ 165,237,599</b>	<b>\$ 70,126,389</b>	<b>\$ 17,773,405</b>	<b>\$ 253,137,393</b>	<b>\$ 38,303,524</b>	<b>\$ 13,468,231</b>	<b>\$ 51,771,755</b>	<b>\$ 304,909,148</b>

See accompanying notes.

# Consolidated Statement of Functional Expenses

Year Ended June 30, 2007

	U.S. Affiliates	International Affiliates	Public Awareness and Education	Total Program Services	Fundraising	Management and General	Total Supporting Services	Total
Program and house building transfers	\$ 123,975,265	\$ 43,063,543	\$ 2,804,147	\$ 169,842,955	\$ -	\$ -	\$ -	\$ 169,842,955
Donated assets distributed	17,926,299	-	-	17,926,299	-	-	-	17,926,299
Salaries and benefits	17,598,856	15,905,562	6,254,199	39,758,617	7,182,451	5,536,178	12,718,629	52,477,246
Payroll tax expense	1,125,185	424,680	382,801	1,932,666	438,221	295,315	733,536	2,666,202
Professional services – direct mail	-	-	-	-	17,097,302	-	17,097,302	17,097,302
Professional services – other	2,409,265	1,998,521	2,376,095	6,783,881	2,658,694	2,270,104	4,928,798	11,712,679
Postage and freight	269,209	144,506	777,731	1,191,446	805,219	121,702	926,921	2,118,367
Travel	2,651,695	2,875,813	804,705	6,332,213	1,181,950	544,782	1,726,732	8,058,945
Printing	202,212	162,650	552,133	916,995	235,993	30,547	266,540	1,183,535
Service agreements and utilities	858,203	700,162	533,606	2,091,971	778,937	1,436,707	2,215,644	4,307,615
Insurance	761,514	193,935	170,061	1,125,510	166,716	178,728	345,444	1,470,954
Interest, service charges, and taxes	958,360	360,736	218,652	1,537,748	439,456	64,658	504,114	2,041,862
Office and equipment	1,154,345	791,564	495,841	2,441,750	368,951	902,859	1,271,810	3,713,560
Depreciation and amortization	928,449	617,329	332,600	1,878,378	569,327	483,322	1,052,649	2,931,027
Other	1,304,867	1,393,202	239,179	2,937,248	348,542	299,064	647,606	3,584,854
<b>Total</b>	<b>\$ 172,123,724</b>	<b>\$ 68,632,203</b>	<b>\$ 15,941,750</b>	<b>\$ 256,697,677</b>	<b>\$ 32,271,759</b>	<b>\$ 12,163,966</b>	<b>\$ 44,435,725</b>	<b>\$ 301,133,402</b>

See accompanying notes.



# Notes to Consolidated Financial Statements

## 1. Organization and Purpose

Habitat for Humanity International, Inc. (Habitat) is a Christian not-for-profit organization whose purposes are to partner with Habitat programs worldwide in making decent, affordable housing available to more families, and to associate with other organizations that have a kindred purpose. Habitat seeks to eliminate poverty housing from the world, and to make decent shelter a matter of conscience and action.

Habitat is comprised of the organization's headquarters based in Georgia, U.S.A.; its area and regional offices worldwide; and the national organizations that are registered as branches of Habitat.

Habitat's mission is fulfilled primarily through the efforts of affiliates working in more than 3,000 communities in approximately 90 countries around the globe.

Habitat is exempt from federal income taxation under Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, pursuant to a group exemption letter received from the Internal Revenue Service.

## 2. Summary of Significant Accounting Policies

### Principles of Consolidation

The accompanying consolidated financial statements as of and for the years ended June 30, 2008 and 2007, include the activities of Habitat's area and regional offices, sixteen national organizations that are registered as part of Habitat for Humanity International, as well as the activities of Habitat for Humanity-Middle East, a wholly owned subsidiary, Nadacia Foundation HFHI, and Habitat for

Humanity-Haiti, in which Habitat effectively has control and an economic interest. All material intercompany accounts and transactions have been eliminated.

### Cash and Cash Equivalents

Habitat considers all highly liquid investments with an original maturity of three months or less, when purchased, to be cash equivalents.

### Investments

Investments in equity and debt securities are reported at fair value with realized and unrealized gains and losses included in the consolidated statements of activities and changes in net assets.

Realized and unrealized gains and losses on marketable securities are determined by using specific identification.

Fair value for securities that are traded on a national securities exchange is based upon the last reported sales price on the last business day of the year. Fair value for investments traded in the over-the-counter market, and listed securities for which no sale was reported on that date, is based upon the average of the last reported bid and ask price.

Investment income and net increase (decrease) on investments of donor restricted contributions are reported as follows: an increase (decrease) in temporarily restricted net assets if the terms of the gift or Habitat's interpretation of relevant state law imposes a restriction on the current use of the investment income or net increase (decrease); otherwise, such increase (decrease) is reported in unrestricted net assets.

### Contributions Receivable

Contributions receivable that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. Contributions receivable are reflected net of an allowance for uncollectible amounts based on management's judgment and analysis of the creditworthiness of the donors, past payment experience, and other relevant factors and have been discounted at rates ranging from 4% to 6%. The discount rate on new contributions receivable is set at the 10-year Treasury bill rate in effect at the date the contribution is made.

Habitat does not recognize conditional promises to give as a receivable. Habitat recognizes a receivable only to the extent the condition has been satisfied. As of June 30, 2008 and 2007, conditional promises to give amounted to \$3,371,777 and \$2,552,128, respectively, and are not recorded in the consolidated financial statements.

### Accelerated Asset Recovery Program

Investor notes payable are special obligations of Habitat secured solely by affiliate general obligation promissory notes (affiliate notes receivable), which are, in turn, secured by mortgages held by the affiliates. The notes have interest rates ranging from 1% to 5% and are payable over seven years. The proceeds received from investor notes payable were disbursed to those affiliates that signed affiliate notes receivable with Habitat. Affiliate notes receivable have interest rates ranging from 3.250% to 4.275% over seven and one quarter years and are secured by mortgages held by those affiliates.

# Notes to Consolidated Financial Statements

## 2. Summary of Significant Accounting Policies (continued)

Habitat requires that each of its affiliates post a cash reserve equal to one quarter's debt service to safeguard against nonpayment by the affiliate. These prepayments are recorded as cash and cash equivalents and investments in the consolidated statements of financial position.

The real estate securing these mortgages is concentrated in the states of North Carolina (13%) and Michigan (11%). The remaining balance is secured by real estate in other cities throughout the United States, with no city comprising more than 6% of the balance.

### Due From/To Affiliates

Due from affiliates consists primarily of non-interest-bearing, unsecured, demand notes from Habitat affiliates in the U.S. Also included are interest-bearing, unsecured notes from microfinance institutions (MFIs) in three international countries. These loans are being used by the MFIs to institute revolving loan programs with Habitat homeowners in these countries. An allowance for estimated doubtful accounts is provided, as considered appropriate, based on identification of specific uncollectible receivables and a general reserve that is based on the method of payment by the affiliate and past payment experience. A majority of these loans come from affiliates that are participating in the Self-Help Home Ownership Program (SHOP) grant. Habitat has had a policy of treating 25% of the grant proceeds as a loan to affiliates that must be paid back to Habitat without interest. These proceeds would then be redistributed for use in Habitat's U.S. programs. During the year ended June 30, 2006, the Department of Housing and Urban Development ruled that proceeds from the loans to affiliates must be

disbursed as an additional SHOP grant. Amounts loaned and collected under SHOP loans are reflected as a liability (Due To Affiliates) until these proceeds are appropriately redistributed.

### Mortgages Receivable

Mortgage receivable balances represent the amount charged to the homeowners for Habitat houses built and secured with real estate that are to be paid back over an established and mutually agreed period of time. These mortgages are typically paid back on a monthly basis.

Generally, Habitat's mortgages are non-interest-bearing. Mortgages in the African countries are effectively discounted to reflect inflation rates due to the fact that they are repaid based on prices of local commodities. In Asian countries, the mortgage receivable balances are discounted using a bank long-term lending rate in effect at the date the mortgage is closed.

### Inventories

Inventories represent building materials. Gift-in-kind inventory is recorded at the fair value on the date of receipt, and such items are expensed as program services expense when used or shipped to U.S. affiliates, based upon the specific identification method. Purchased inventory is recorded at the lower of cost or market determined by the specific identification method.

### Prepays and Other Assets

During the year ended June 30, 2007, Habitat entered into an agreement with a third-party vendor to manufacture modular housing to be used in Gulf Coast rebuilding efforts. This agreement required a deposit of 20% to be paid

before construction began, and the remaining balance was paid before the house was delivered. These houses were transferred to affiliates when a certificate of occupancy was received. These costs were reflected as Prepays and Other Assets in the June 30, 2007 consolidated statement of financial position because they were not building materials that were stored in Habitat warehouses and because there was a prepaid deposit being paid before construction took place. During the year ended June 30, 2008, all remaining housing costs had been transferred to affiliates and are reflected as U.S. affiliate program services and donated assets distributed in the accompanying consolidated statements of activities and changes in net assets and functional expenses, respectively.

### Land, Buildings, Capital Leases, and Equipment

Land, buildings, capital leases, and equipment are recorded at acquisition cost, including costs necessary to get the asset ready for its intended use. Additionally, certain application development costs incurred to develop internal-use software are capitalized and amortized over the expected useful life of the software application. Depreciation expense and amortization expense of assets under capital leases are provided on a straight-line basis over the estimated useful lives of the respective assets, as follows:

Buildings	20 to 30 years
Furniture and equipment	5 to 10 years
Computer hardware and software	3 years
Capitalized leases	3 to 5 years
Vehicles	3 to 5 years

# Notes to Consolidated Financial Statements

## *Summary of Significant Accounting Policies (continued)*

### **Charitable Gift Annuities**

Habitat has a gift annuity program whereby it enters into irrevocable contracts with certain donors. Habitat agrees to make payments to donors at prescribed intervals over the life of the donor. The assets received are recorded at their fair value, and the related liability is recorded as an annuity obligation. Annuity obligations are recorded at the present value of expected future payments based on IRS mortality tables and the prevailing interest rate. A discount rate of 3.8% was utilized as of June 30, 2008. The difference is classified as unrestricted contributions on the consolidated statements of activities and changes in net assets. Habitat maintains charitable gift annuities in a separate portfolio, and the assets are invested in accordance with applicable state laws.

### **Net Assets**

Habitat's net assets, revenues and gains, and expenses are classified as temporarily restricted and unrestricted based on the existence or absence of donor-imposed restrictions. These classifications are defined as follows:

- Temporarily restricted net assets contain donor-imposed restrictions that permit Habitat to use or expend the donated assets as specified and are satisfied either by the passage of time or by actions of Habitat.
- Unrestricted net assets do not contain donor restrictions or the donor-imposed restrictions have expired.

### **Contributions**

Unconditional promises to give are recognized as revenue when the underlying promises are received by Habitat. Gifts of cash and other assets are reported as temporarily restricted contributions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as a satisfaction of program restrictions.

Temporarily restricted contributions, which are both received and released within the same year, are recorded as an increase in temporarily restricted net assets and as a satisfaction of program restrictions.

### **Government Grants**

Habitat receives funding from several federal financial assistance programs that supplement its traditional funding sources. Habitat recognizes the award as revenue as the expenses stipulated in the grant agreement have been incurred.

### **Contributed Services**

A substantial number of volunteers have made significant contributions of their time to Habitat's program and supporting services. The value of this contributed time is not reflected in the consolidated financial statements since it does not require a specialized skill. However, certain other contributed services that require specialized skills, where provided by individuals possessing those skills

and otherwise needing to be purchased if not provided by donation, are recognized as revenue and expense. Such amounts, which are included in the accompanying consolidated statements of activities and changes in net assets, totaled \$1,575,915 and \$69,870 for the years ended June 30, 2008 and 2007, respectively.

### **Program Services**

Program services expenses include direct transfers to affiliates of cash and in-kind donations, as well as payments to other vendors made on behalf of affiliates. For cash contributions, program services expenses are recorded when a promise to give is made by Habitat and received by the recipient organization. For in-kind contributions, program services expenses are recorded upon delivery of in-kind transfers to the affiliate by Habitat or the donor.

### **Estimates in the Financial Statements**

The preparation of consolidated financial statements, in conformity with accounting principles generally accepted in the United States, 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

### **Fair Value of Financial Instruments**

Habitat's financial instruments consist of cash and cash equivalents, investments, receivables, accounts payable and accrued expenses, capitalized lease obligations payable, notes payable, annuity obligations, and investor notes payable. Cash and cash equivalents, receivables, accounts

# Notes to Consolidated Financial Statements

## Summary of Significant Accounting Policies (continued)

payable and accrued expenses, notes payable, annuity obligations, and investor notes payable are stated at cost, which approximates fair value. Investments are recorded at their fair values.

### Reclassifications

Certain amounts as previously reported have been reclassified in order to be consistent with the current year presentations.

### 3. Investments

Investments at June 30 consist of the following:

	2008	2007
Certificates of deposit, auction rate securities, and other short-term investments	\$109,841,913	\$ 58,450,529
Bonds – U.S., state government, and corporate	28,846,265	58,922,042
Total investments in securities with contractual maturities	138,688,178	117,372,571
Common stock and mutual funds	10,693,925	12,779,550
<b>Total investments</b>	<b>\$ 149,382,103</b>	<b>\$ 130,152,121</b>

Certain investments are held in debt securities with contractual maturities. Total investments mature as follows:

	2008	2007
Due in less than one year	\$ 28,952,555	\$ 94,742,741
Due in one to five years	97,320,490	22,464,434
Due in five to ten years	12,415,133	165,396
	<b>\$ 138,688,178</b>	<b>\$ 117,372,571</b>

Included in investments at June 30, 2008 are auction rate securities held at Bank of America totaling \$76,150,000. During fiscal 2008, the weekly auction market for these securities was no longer supported and ceased to function. Should Habitat have to sell the underlying securities prior to their maturity date or in a secondary market, the price received upon sale will be subject to prevailing market conditions and could be lower than par value. Management assessed the value of these securities as of June 30, 2008, using a present value methodology. The potential discount was immaterial and the auction rate securities are recorded at par value as of June 30, 2008.

Investment income and net realized and unrealized gains (losses) are included in other income, net, and consist of the following:

	2008	2007
Net increase (decrease) in fair value of investments, including realized and unrealized gains and losses	\$ (911,461)	\$ 1,068,970
Interest and dividend income	8,995,905	7,645,652
	<b>\$ 8,084,444</b>	<b>\$ 8,714,622</b>

### 4. Contributions and Grants Receivable

Contributions and grants receivable at June 30 consist of the following:

	2008	2007
Contributions	\$ 47,655,757	\$ 43,859,062
Government grants	949,490	1,546,124
	48,605,247	45,405,186
Less unamortized discount	2,761,770	2,525,954
	45,843,477	42,879,232
Less allowance for uncollectibles	4,447,045	4,584,482
	<b>\$ 41,396,432</b>	<b>\$ 38,294,750</b>

These receivables are due as follows:

	2008	2007
Due in less than one year	\$ 22,042,994	\$ 27,381,219
Due in one to five years	19,252,882	10,913,531
Thereafter	100,556	–
	<b>\$ 41,396,432</b>	<b>\$ 38,294,750</b>

Contributions receivable include in-kind amounts of \$8,289,205 and \$21,892,348 as of June 30, 2008 and 2007, respectively.

Net contributions receivable includes two contributions in 2008 and 2007 whose individual net outstanding contribution receivable are greater than 10% of the net outstanding contributions receivable. At June 30, 2008 and 2007, the net contributions receivable associated with these gifts totaled \$22,813,820 and \$12,329,532, respectively.

### 5. Due From Affiliates

Due from affiliates at June 30 consist of the following:

	2008	2007
Self-Help Home Ownership Program Grant	\$ 7,164,110	\$ 6,355,358
Other	3,263,037	3,193,918
	10,427,147	9,549,276
Less allowance for uncollectibles	1,219,935	1,082,244
	<b>\$ 9,207,212</b>	<b>\$ 8,467,032</b>

Certain amounts which have been included in the allowance for uncollectible accounts may be forgiven in the future



# Notes to Consolidated Financial Statements

## 5. Due from affiliates (continued)

and treated as program transfers to affiliates. Additionally, as of June 30, 2007, there had been four forgivable loans made to affiliates. These forgivable loans were treated as program transfers and therefore are not included in Due from Affiliates. One of these loans was forgiven in fiscal 2008. The balance of these forgivable loans was \$2,748,500 and \$4,048,700 for the years ended June 30, 2008 and 2007, respectively. At June 30, 2008, there is no indication that Habitat will request repayment of these forgivable loans.

## 6. Land, Buildings, and Equipment

Land, buildings, and equipment at June 30 consist of the following:

	2008	2007
Land	\$ 915,885	\$ 859,764
Buildings and leasehold improvements	11,598,409	11,614,554
Computer hardware and software	10,077,822	9,383,196
Computer hardware and software under capital leases	5,037,295	3,879,786
Furniture and equipment	4,164,781	3,714,272
Vehicles	1,611,375	1,649,454
	33,405,567	31,101,026
Less accumulated depreciation and amortization	19,829,092	17,113,954
	<b>\$ 13,576,475</b>	<b>\$ 13,987,072</b>

Depreciation expense was \$2,206,329 and \$2,085,319 for the years ended June 30, 2008 and 2007, respectively. Amortization expense of assets under capital leases was \$807,039 and \$845,708 for the years ended June 30, 2008 and 2007, respectively. Accumulated amortization related to

computer hardware and software under capital leases was \$2,984,415 and \$2,177,375 as of June 30, 2008 and 2007, respectively. Unamortized computer software costs were \$1,792,306 and \$2,099,392 as of June 30, 2008 and 2007, respectively.

## 7. Notes Payable

Notes payable at June 30 consist of the following:

	2008	2007
Non-interest-bearing, unsecured notes payable to various individuals and organizations, payable principally on demand	\$ 387,992	\$ 427,642
Non-interest-bearing notes payable to affiliates upon completion of their accelerated asset recovery payable	1,972,674	1,776,116
	<b>\$ 2,360,666</b>	<b>\$ 2,203,758</b>

Future principal payments are as follows:

2009	\$ 725,192
2010	304,994
2011	258,740
2012	347,418
2013	-
Thereafter	724,322
	<b>\$ 2,360,666</b>

The amount of future principal payments for 2009 includes \$387,992 of non-interest-bearing, unsecured notes payable to various individuals and organizations, which are payable principally on demand. The amount actually demanded and repaid for such notes payable during the years ended June 30, 2008 and 2007, was \$39,650 and \$1,400, respectively.

## 8. Accelerated Asset Recovery Program

Future principal payments on investor notes payable for the fiscal years ending June 30 are as follows:

2009	\$ 6,505,452
2010	5,613,895
2011	4,700,738
2012	3,798,020
2013	2,605,517
Thereafter	3,412,636
	<b>\$ 26,636,258</b>

Interest expense during the years ended June 30, 2008 and 2007, was \$920,319 and \$982,206, respectively.

Investor notes payable require Habitat to monitor the compliance by each affiliate participating in this program with the terms and conditions of the agreement. Management believes they are in compliance with the covenants of investor notes payable.

## 9. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30:

	2008	2007
Purpose restricted:		
Home building activities	\$ 135,956,713	\$ 182,498,282
Public awareness and education	17,773,405	15,941,750
Time restricted	40,153,151	36,551,135
	<b>\$ 193,883,269</b>	<b>\$ 234,991,167</b>

# Notes to Consolidated Financial Statements

## 10. Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time, as follows:

	2008	2007
Release of purpose restrictions	\$ 127,492,129	\$ 140,159,783
Release of time restrictions	20,596,610	19,177,143
	<b>\$ 148,088,739</b>	<b>\$ 159,336,926</b>

## 11. Revenue From Government Grants

Federal and state awards received for the years ended June 30 consist of the following:

	2008	2007
Self-Help Home Ownership Program Grant	\$ 12,277,803	\$ 9,836,637
Capacity Build Grant	2,090,382	3,457,718
AmeriCorps/Vista	4,308,323	4,477,530
USAID	1,122,082	1,609,997
Other	275,849	1,549,105
	<b>\$ 20,074,439</b>	<b>\$ 20,930,987</b>

Habitat's federal programs are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowed expenditures and affect Habitat's continued participation in specific programs. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although Habitat expects such amounts, if any, to be immaterial.

## 12. Employee Benefits

Full-time Habitat employees who elect to participate are provided health and death benefits through the Habitat for Humanity International Welfare Benefit Plan (the Plan). The Plan requires contributions by participants. Expenses incurred by Habitat in connection with this plan, which is partially self-insured, were \$6,052,360 and \$4,786,881 for the years ended June 30, 2008 and 2007, respectively.

Habitat also provides through the Habitat for Humanity Retirement Plan (the Retirement Plan) a defined contribution retirement plan to its full-time employees with one or more years of service. The annual required contribution per eligible employee is the greater of 3% of the participant's wages or \$750, not to exceed 25% of the participant's wages for the year. Habitat will also match 100% of the first 3% of wages contributed by eligible participants to the plan. Participants are fully vested after five years of service. Habitat's contributions to the Retirement Plan were \$1,322,301 and \$972,891 for the years ended June 30, 2008 and 2007, respectively.

## 13. Leases

Habitat leases certain fixed assets, including office space in Atlanta, Georgia and other locations, under operating and capital leases. Many of these lease agreements contain renewal clauses and yearly escalations in monthly rent payments. At June 30, 2008, future minimum rental payments under the operating and capital leases are as follows:

	Operating	Capital
2009	\$ 1,130,827	\$ 945,939
2010	1,204,605	820,714
2011	1,126,122	453,633
2012	966,265	68,408
2013	1,002,355	–
Thereafter	3,153,934	–
Total minimum payments	\$ 8,584,108	2,288,694
Less amounts representing executory costs and interest		312,625
Present value of net minimum payments		<b>\$ 1,976,069</b>

Rent expense under operating leases amounted to \$1,135,497 and \$844,314 for the years ended June 30, 2008 and 2007, respectively.

## 14. Affiliate Programs

International and U.S. national organizations and affiliates—grassroots organizations of local people coming together to address local needs—are independent, not-for-profit groups that are approved by regional, area, or national offices of Habitat and operate under an affiliation agreement with Habitat. All affiliates are encouraged to be self-supporting

# Notes to Consolidated Financial Statements

## 14. Affiliate Programs (continued)

in their fund-raising efforts; however, Habitat also solicits contributions, both cash and in-kind, on behalf of its affiliates. Habitat has transferred cash and donated assets totaling \$174,746,456 and \$187,769,254 in 2008 and 2007, respectively, to international and U.S. national organizations and affiliates.

Some affiliates in developing countries, where severely limited resources constrain local fund-raising, receive the majority of their funding from Habitat. All U.S. affiliates are expected to contribute a portion of their unrestricted cash contributions to support Habitat work outside their own country. These contributions totaled \$15,715,029 and \$15,615,447 in 2008 and 2007, respectively.

## 15. Commitments

Habitat agreed to guarantee a \$590,000 mortgage note made on February 1, 1999, for Uptown Habitat for Humanity, Inc. (Uptown). The obligation is payable to the Illinois Housing Development Authority (IHDA), a body created by and existing pursuant to the Illinois Development Act, and is due and payable on August 1, 2028. The note is secured by mortgages that were assigned by Uptown to IHDA pursuant to a prior loan agreement between Uptown and IHDA.

During the course of business, Habitat routinely enters into grant agreements for federal funds and agreements with other donors for funds to be used to help accomplish the mission of the organization. To the extent that actual costs exceed the planned costs, Habitat may need to provide additional resources to meet the terms of the contracts.

## 16. Related-Party Transactions

For the years ended June 30, 2008 and 2007, Habitat recorded \$35,650,048 and \$31,906,650 in contributions, respectively, and \$10,977,011 and \$6,023,521, in pledge payments, respectively, from members of Habitat's International Board of Directors (IBOD) or from companies that they or their families represent. At June 30, 2008 and 2007, Habitat had \$22,403,872 and \$8,929,115, respectively, of pledges receivable from members of Habitat's IBOD or from companies that they or their families represent.

A member of Habitat's IBOD represents a large financial institution that is an investor in the Accelerated Asset Recovery Program. The financial institution was owed \$7,491,780 and \$7,468,554 as of June 30, 2008 and 2007, respectively. Interest payments made to the financial institution totaled \$272,160 and \$333,010 during the years ended June 30, 2008 and 2007, respectively. Additionally, this financial institution performs certain international transfers, international payroll, and credit card transactions on Habitat's behalf. Habitat pays bank fees for these transactions as part of the ordinary course of business. This financial institution is also a 50% owner of an organization, which is a service provider for Habitat's employee benefit pension plans. Habitat pays fees for these services. All of these transactions have been reviewed by counsel and Habitat's IBOD, in accordance with Habitat's conflict of interest policy.

Several members of the IBOD also on the Board of their respective national organizations. They all serve as volunteers and have no financial interest in the national organizations.

In June 2005, the IBOD approved a loan to Habitat for Humanity-South Africa (HFHSA), an unconsolidated international affiliate, for \$500,000. The loan is intended to help HFHSA build additional houses that were committed as part of the 2002 Jimmy Carter Work Project. It is payable over five years at 0% interest. A member of the IBOD is also a member of the Board of HFHSA. This potential conflict was disclosed to the IBOD, and this member did not participate in the vote to approve this loan. The IBOD determined that the loan was in furtherance of Habitat's exempt purpose. The balance outstanding on this loan as of June 30, 2008, was \$374,713.

<b>Habitat for Humanity International Board of Directors in FY2008</b>			
<b>Chair</b>	<b>J. Ronald Terwilliger</b>	<b>National managing partner, Trammell Crow Residential</b>	<b>Atlanta, Georgia, U.S.A.</b>
<b>Vice Chairman</b>	<b>Tony Lanigan</b>	<b>Project and technology consultant</b>	<b>Auckland, New Zealand</b>
<b>Vice Chairman</b>	<b>Ken Klein</b>	<b>Building contractor, real estate developer</b>	<b>Tulsa, Oklahoma, U.S.A.</b>
<b>Secretary</b>	<b>Elizabeth Crossman</b>	<b>Retired, director, corporate contributions, and president, Weyerhaeuser Company Foundation</b>	<b>Trail, Oregon, U.S.A.</b>
<b>Treasurer</b>	<b>Ted Dosch</b>	<b>Corporate vice president, finance, Maytag Integration, Whirlpool Corp.</b>	<b>Benton Harbor, Michigan, U.S.A.</b>
	Archbishop Vicken Aykasian	Archbishop, Diocese of the Armenian Church of America (Eastern)/ president, National Council of Churches	Washington, D.C., U.S.A.
	Kathleen Bader	Retired, chairman, president and chief executive officer of NatureWorks LLC	Midland, Michigan, U.S.A.
	Edward Bastian	President and chief financial officer, Delta Airlines	Atlanta, Georgia, U.S.A.
	Paul Ekelschot	Retired, senior vice president, financial services, Royal Ahold	Zandervoort, Netherlands
	John Gilbert	Retired, chair, Thrivent Financial for Lutherans	Minneapolis, Minnesota, U.S.A.
	Renee Glover	President and chief executive officer, Atlanta Housing Authority	Atlanta, Georgia, U.S.A.
	Janet Huckabee	Manager, service to military families for the state of Arkansas for the American Red Cross	Little Rock, Arkansas, U.S.A.
	Mary Kazunga	Canada Fund coordinator, Canadian High Commission	Lusaka, Zambia
	Kevin Kessinger	Citigroup, chief operations and technology officer	New York, New York & Kansas City, Missouri, U.S.A.
	Chainarong Monthienvichienchai	Vice chancellor, Saint John's University	Bangkok, Thailand
	Anugerah Pekerti	Adviser, World Vision International, Indonesia	Jakarta, Indonesia
	Jonathan Reckford	Chief executive officer, Habitat for Humanity International	Atlanta, Georgia, U.S.A. (ex-officio)
	Ed Schreyer	Former governor general of Canada	Manitoba, Canada
	Alex Silva	President and founder, Omtrix, Inc.	San Jose, Costa Rica
	Juel Shannon Smith	Educational consultant/founding director of Institute on Black Life and the Center for Africa and the Diaspora	Tampa, Florida, U.S.A.
	John Stack	Superintendent minister	Alberton, South Africa
	Eduardo Tabush	President and chief executive officer / La Uva S.A.; Delimport Internacional S.A., Divinos S.A. de C.V	Guatemala City, Guatemala
	Gladys Gary Vaughn	United States Department of Agriculture, director of the office of outreach	Cabin John, Maryland, U.S.A.
<b>New board members, elected October 2008</b>			
	Nabil Abadir	General director, CEOSS (Coptic Evangelical Organization for Social Services)	Cairo, Egypt
	Henry Cisneros	Chair, City View	San Antonio, Texas, U.S.A.
<b>Board members, retired October 2008</b>			
	David Hicks	Chair, Alliance Capital Partners	Jacksonville, Florida, U.S.A.
	Fernando Zobel de Ayala	Executive managing director, Ayala Corporation	Makati City, Philippines





**Mike Carscaddon**  
Executive vice president  
*International field operations*



**Elizabeth Blake**  
Senior vice president  
*Government Relations and  
Advocacy; general counsel*



**Chris Clarke**  
Senior vice president  
*Marketing and  
Communications*



**Mark Crozet**  
Senior vice president  
*Resource Development*



**Ed Quibell**  
Senior vice president  
*Administration; chief  
financial officer*



**Audley Bell**  
Vice president  
*Internal Audit*



**Marian Cooper**  
Vice president  
*Human Resources*



**Tricha Diaz**  
Vice president  
*Information systems;  
chief information officer*



**Jonathan T.M. Reckford**  
Chief executive officer

# Habitat for Humanity International

## Senior leadership

**Larry Gluth**  
Vice president  
*United States field  
operations;  
Canada, Guam, Bermuda*

**Connie Steward**  
Vice president  
*Organizational Learning;  
chief learning officer*

**Steve Weir**  
Vice president  
*Global Program  
Development and Support*

**Richard Hathaway**  
Vice president  
*Asia and Pacific area*

**Gregory Foster**  
Vice president  
*Africa and Middle East area*

**Don Haszczy**  
Vice president  
*Europe and Central Asia area*

**Torre Nelson**  
Vice president  
*Latin America and  
Caribbean area*

**Tom Jones**  
Ambassador of Habitat



## Habitat for Humanity International offices

### Habitat for Humanity International Operational headquarters

121 Habitat St.  
Americus, GA 31709 USA  
Phone: (800) 422-4828  
Email: publicinfo@habitat.org

### Habitat for Humanity International Administrative headquarters

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### Africa and the Middle East area office

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Email: eca@habitat.org

### Latin America and the Caribbean area office

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San José, Costa Rica  
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Email: lac@habitat.org

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Email: publicinfo@habitat.org

### HFHI Government Relations and Advocacy office

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Phone: (202) 628-9171  
Email: HFHIadvocacy@habitat.org

USA: Habitat homeowner Deisy Mancía at the dedication of her family's house in San Pedro, California, at the end of the Jimmy Carter Work Project 2007.



ERNA MILSTEIN

**MANY HANDS:** Left, volunteers move a wall panel in New Orleans; Center, AmeriCorps members with Habitat gather in Eatonton, Georgia; Right, a volunteer in Mrgashat, Armenia, scrapes cement from a bucket to renovate a house for a Habitat partner family.



STEFFAN HACKER



STEFFAN HACKER



EZRA MILLSTEIN

# Mission methods of Habitat for Humanity

Habitat for Humanity mobilizes local leadership and resources to expand access to decent, affordable shelter for all people. Typically, volunteers and partner families work together through Habitat for Humanity affiliates to build or renovate houses. In this process, Habitat forgoes making a profit, putting value instead in meeting human need. Long-term housing security for a family—typically

homeownership—is the expected result. Payments made by the new homeowner families go into a local Fund for Humanity to build and renovate more houses, giving the homeowners the opportunity to give as well as to receive. Habitat homeowners are selected on the basis of need and willingness to partner, regardless of race, religion, gender or ethnic background.

Valuing innovation and staying open to the possibility of the Holy Spirit leading in new directions, Habitat for Humanity welcomes exploring new methods to increase our impact while staying true to our mission.

# The heart of Habitat for Humanity

May the Lord make his face to shine upon you and be gracious unto you.

May God give you grace never to sell yourself short; grace to risk something good; grace to remember that it is politically expedient for this nation to be generous to its poor at home and the poor around the world; grace to remember that the world now is too dangerous for anything but truth, and too small for anything but love.

So, may God take your minds and think through them; may God take your lips and speak through them; may God take your hearts and set them on fire. Amen.

*This benediction was often used by the late Tom Hall, who with his wife, Dianne (now assistant chaplain at Habitat for Humanity International), helped lead Habitat in its early years.*

**FAIRBANKS, ALASKA, USA:** Five year-old Acacia Johnson looks out the window of her soon-to-be bedroom during construction of her family's new Habitat house. Her mother Maryann, her 3 year-old sister Amaya and Acacia moved into a three-bedroom Habitat home in July 2008. EZRA MILLSTEIN





the heart of Habitat. **the heart of Habitat.** the heart of Habitat.



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