



Annual Report

Fiscal Year 2007

(July 1, 2006 through June 30, 2007)



UNITED WAY
of Kootenai County



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Mission Statement

Habitat for Humanity of North Idaho works in partnership with God and people everywhere, from all walks of life, to develop communities for people in need by building homes so that there are decent communities in which every person can experience God's love and can live and grow into all that God intends.

Board of Directors

For FY2006/2007 the Board Officers and members of the Executive Committee were:

President	Mariann Bethke
Vice-President	Rick Shipman
Secretary	Gloria Poliquin
Treasurer	Bette Woinowsky
Member-at-large	Gordon Ormesher

Other Board of Directors were:

Dan Adams
Dave Bobbitt
Rick Buchheit
Meredith Bryant
Jim Erlanger
Vicki Hahn
Eula Hickam
Gerald Johnson
Jeff Sandler
Michelle Van Slate
Al Williams

Year-End Summary

The past year reflects continued growth for Habitat for Humanity of North Idaho. The annual planning session created our three year Strategic and Action Plan.

The commitment has been made to accommodate a minimum of five families per year. In 2007 four families were housed at our Millard Place development in Post Falls, Idaho. Three Homes were sponsored in fiscal year 2007. Our benefactors were: Schneidmiller Coldwell-Banker Realty, our local Lions' clubs and Thrivent Financial for Lutherans.

Two additional building sites were acquired in Spirit Lake, Idaho and in Coeur d'Alene, Idaho. These sites will enable us to house a minimum of seven additional families. Planning has started for a Blitz Build home and a Women's Build home by FY 2009. Family selection and family partnership committees continue to help our families. Plans are being implemented to increase our faith relations presence to more churches. Many successful fundraisers were held and new volunteers continue to join our ranks.

Historical Background

Habitat for Humanity of North Idaho became a locally managed affiliate of Habitat for Humanity International in the spring of 1989. Our organization has now housed twenty-four families in Kootenai County. Three additional homes are under construction and our partner families will be taking occupancy in FY08.

We send ten percent of our undesignated funds to Habitat International for the construction of houses in other countries. This tithe has housed countless additional families over the years.

Throughout our history we have worked hard to eliminate poverty housing in our local area. Members of our affiliate have selected eligible families, labored on job sites, conducted fundraising events, held meetings, attended public relations functions, published newsletters and most of all, encouraged our families to succeed in homeownership. The pride, happiness and sense of accomplishment exhibited when a home is completed are exciting events to witness and make the labors worthwhile.

Reports & Publications

Official documentation of Habitat for Humanity of North Idaho activities is contained in the minutes of the Board of Director meetings. These minutes are available for review at our office. Other official documents are the annual audit conducted by the accounting firm of Magnuson, McHugh and Company, P.A. and the Annual Report.

A quarterly newsletter is published in-house and is a great way to stay in touch with our volunteers and donors. Numerous marketing pieces have been produced; including an all new Volunteer Solicitation brochure.

Families

The Family Selection Committee is gearing up to review applications in FY2008. We continue to improve the information available to potential family applicants. The distribution of materials about the Habitat for Humanity of North Idaho program is ongoing in our service area of Kootenai County and the information provided to families during the application process has been updated. A minimum of four families will be brought forward for Board of Director approval as potential homeowners.

The Family Partnership Committee continues to work with our families presenting workshops on helping with homeowner responsibilities. This volunteer group will assist the new families with the process after they are approved. One mentor will be assigned to each family to be an advocate for the family and to help them stay on track with the program requirements.

Our Family Selection and Family Partnership Committees lead our Focus on the Family.

Volunteers

John Heywood, the English playwright and poet stated: “Many hands make light work.” This quote was demonstrated throughout the past year, as more than 200 individuals put in nearly 13,000 hours planning and performing Habitat for Humanity of North Idaho activities. Mobilizing and organizing our volunteers has proven to be a daunting task. This challenge has led to a shared cost agreement with the AmeriCorps VISTA program and our affiliate. We have been approved for a Volunteer Manager position, which we hope to fill early in fiscal year 2008. In the interim, our Volunteer Committee continues to be active in recruiting individuals to fill committee vacancies and those with the specialized skills needed for our construction projects. This key committee assists other committees who need help with events and host volunteer orientations and volunteer recognition socials.

A grant from the R.J. Murdock Foundation provided the funds for my position as Executive Director and in my first year with Habitat for Humanity of North Idaho, I found myself humbled and thankful for the enthusiasm and dedication so many individuals brought to our mission. Their efforts made 2007 a phenomenal year of success. I wish to express my gratitude to all of our supporters; without whom the following accomplishments could not have been achieved.

Comments by Chair of the Board of Directors

Dear Friend,

This past year has been really exciting. Witnessing a family getting the keys to their new home is a real blessing. Each family member must help build on their own home by putting in a lot of sweat equity hours. They get an opportunity to be trained in essential life skills by volunteers from the community to help them succeed. They watch and work with countless volunteers as they donate their time and materials to help build homes. They see the board and all its committees working hard to raise money from the community to help build houses. They see businesses and churches partnering to build hope. They see individual men, women, and teens give up their time to lend a hand.

We are a Christian ministry that believes we must do all we can to eliminate poverty. We don't give away homes. We bestow blessings. Jesus said, "It is more blessed to give than to receive." If we just built the homes and gave them away we would be denying someone a greater blessing!

We are a part of the body of Christ. We are called out. We are the hands of Christ to care for those in need. In Luke 18:27 Jesus says, "What is impossible for people is possible with God." The work we do is an expression of faith. Faith is trusting God for the outcomes. Finally after each home is built we see the outcomes. It is the end of a building project and the beginning of new blessings. The family mindset changes from "Where and how am I going to live?" to better things. Better things like a stable life for children and a chance to get a higher education. How is that? The family has interest free mortgage payments that are lower than rent payments! The blessings are too numerous to count.

As an ecumenical board we will continue to put love into action. We will work hard to make a difference and hope you will join us. "For God, who said, "Let there be light in the darkness," has made this light shine in our hearts so we could know the glory of God that is seen in the face of Jesus Christ." 2 Cor 4: 6 Thank you and may God bless you.

Comments by Executive Director

We were able to complete four houses during the past year thanks to the many generous donations of labor, materials and funds. The simple decent affordable housing that these families now call home will help bring a positive change to their lives for generations.

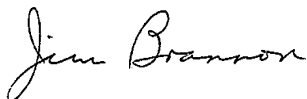
Two parcels of land were acquired last year. These properties will enable our housing ministry to continue building for several years to come. Eliminating substandard living conditions one family at a time remains our focused goal. It must be a matter of conscience for us to help those who lack adequate shelter.

The challenge of providing affordable housing in our service area has been in the news recently. Over the past several years, Northern Idaho has experienced high appreciation in real estate. Prices for land and homes are escalating and according to a December 2006 study only six percent of the housing units for sale in Kootenai County were priced in the affordable range for the city's workforce. Housing is considered affordable when no more than 30% of a household's income is spent on housing. In our area, approximately 60% of the average household income is required to buy a home and only 62% of first-time homebuyers can afford to purchase a home in Kootenai County where the median price has risen to \$204,900. The dream of homeownership is fading for many and the character of our area is changing rapidly as the market for second homes continues to grow. Despite the downturn nationwide, sustained growth in our local real estate market is occurring despite the increased costs of building materials and land.

Our affiliate is faced with many challenges as hard costs for building Habitat homes continue to accelerate. Fundraising efforts are always underway in our organization so that we can keep the dream of homeownership alive for the growing number of hardworking families who are tragically being priced out of the market.

As I head into my second year with this remarkable organization, I find myself continuously impressed by the passion of the people putting to work the simple yet profound idea of neighbor helping neighbor. We must grow our capacity to serve more families as our mission requires it. We must serve more families because of our conviction that everyone deserves a decent place to live on terms that they can afford to pay. We believe that good housing is one of the most fundamental ways to improve individual lives and communities and with housing needs so great in our area, we must do much more. I feel blessed to be given this opportunity to guide this outstanding organization to an even higher level of consciousness and achievement in the future.

Jim Brannon



Executive Director, Habitat for Humanity of North Idaho

Annual Report Financial Comments

The primary mission of Habitat for Humanity of North Idaho is to eliminate poverty housing by building and delivering homes to families in need. During FY2007, Habitat for Humanity of North Idaho took significant steps forward in this mission by delivering four homes to deserving families, a record number for our affiliate. We accomplished this through the hard work and dedication of a wonderful team of volunteers, paid staff and prospective homeowners.

Achieving these results also required a significant amount of financial resources, which are generated from three primary sources:

- 1) Operation of our Discount Building Supply Store (“ReStore”)
- 2) Grant Income
- 3) Cash contributions & donations of “In-kind” materials and services

These resources are reinvested and converted into homes, which are delivered at cost. During FY2007, Habitat for Humanity of North Idaho’s four homes were delivered at an average cost of \$76,750/home. In addition to building these homes at a very reasonable cost, Habitat for Humanity of North Idaho also continues its commitment to homeowners by carrying back non interest-bearing mortgages for the vast majority of the cost of each home.

For this cycle of construction, delivery and financing of new homes to continue, Habitat for Humanity of North Idaho must constantly strive to generate strong income and grants. FY2007 was no exception.

During FY2007, our affiliate’s results included the following significant events:

- 1) Four new homes were transferred to families. The revenue value of these homes to our affiliate is shown on our financial statement at \$168,584. The actual cost of delivering these homes was \$306,899. The difference between these two amounts (\$138,315) is recorded as deferred income and taken into revenues over the life of the related mortgages. This accounting treatment is required as a result of the fact that the mortgages do not bear interest. The net result is that our revenues from home transfers are significantly below recorded costs. Our mortgages carry average amortization of 20 years.
- 2) Additional paid staff resources were added during 2006/07 to facilitate and expedite the construction of homes and transition to a more professional organization. Despite this, overall administrative expenses equaled only 13.8% of revenues during the fiscal year.
- 3) Additional land was acquired throughout Kootenai County for future home construction.
- 4) The affiliate increased its tithes to our Habitat for Humanity International by over 50% (from \$17,849 in 2006 to \$27,769 in 2007). These funds go to directly assist in the construction of homes for low income families worldwide.