

*Building affordable homes,
stronger families and a better quality of life.*



Habitat for Humanity
Central Arizona
Annual Report 2008-2009



Habitat for Humanity
Central Arizona

Habitat for Humanity
Central Arizona
ReStore

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Phone: 623.583.2417

9133 NW Grand Avenue • Peoria, AZ 85345
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115 E Watkins • Phoenix, AZ 85004
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1135 S Dobson Ste. 104 • Mesa, AZ 85202
Phone: 480.969.2143

NEED FOR AFFORDABLE HOUSING



- Even with the settling of the market, land prices continue to hamper affordability. The average cost to purchase and prepare an infill lot for building during our last fiscal year was \$46,431. Before the real estate bubble, land prices were about \$5,000 for the preparation and purchase of an infill lot.
- From 2000 – 2008, home prices increased by 70% while median family income only increased by 22%.
- The affordability standard is 30% of income for housing costs. However, the U.S. Census Bureau's 2006 data reveals that in Arizona, almost half of all renters and close to 28% of homeowners spend more than 30% of their income on housing. That equates to approximately 2 million people; who exceed the affordability standard.

• The 2009 Arizona Department of Housing Market at a Glance study indicates that it takes \$30.28 per hour or \$64,000 annually to qualify for a home in the Phoenix Metropolitan area. The majority of Habitat families earn less than \$30,000.

• The median price of a Phoenix area single-family home at the end of 2008 was \$191,300. Families of modest means are unable to afford a 10-20% down payment, a 6.4% interest rate and a monthly payment of more than \$1,200 which would be required to purchase a home.

• Substandard housing endangers the health and safety of its occupants, erodes hope and self-worth, and impairs a child's ability to succeed in school.

OUR MISSION AND HISTORY

Habitat for Humanity Central Arizona (HFHCAZ), a Christian-based organization, builds simple, decent and affordable homes in partnership with families in need.



HFHCAZ is an independent 501 (c)(3) affiliate of Habitat for Humanity International. Since 1985, 739 homes have been built or renovated in Metro Phoenix. Habitat coordinates all aspects of home building in the local area -- fund raising, building site selection, partner family selection and support, house construction and mortgage servicing. Habitat strengthens the community by providing homeownership opportunities for working families through donated materials, 0% interest mortgages and volunteer labor.

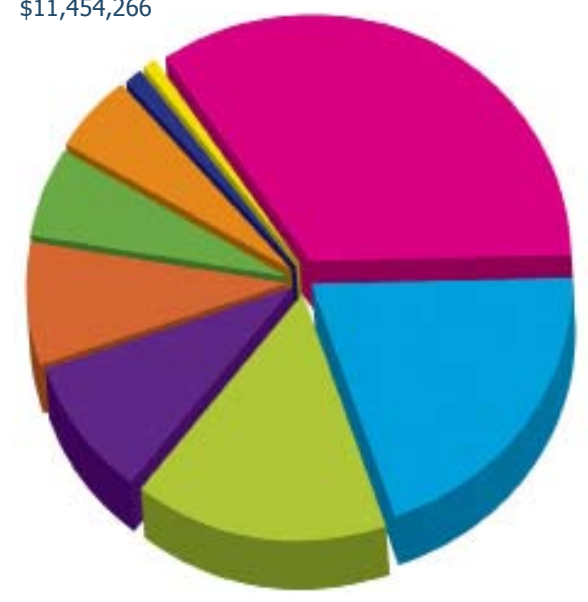
HFHCAZ builds houses for low-income working families from diverse backgrounds. The service area includes Apache Junction, Avondale, Buckeye, Chandler, El Mirage, Gilbert, Glendale, Goodyear, Litchfield Park, Mesa, Peoria, Phoenix, Sun Cities, Surprise, Tempe, Tolleson, Waddell and Youngtown... approximately 99% of Maricopa County.

Habitat families benefit as they transition from overcrowded, substandard and sometimes unsafe shelter to simple, decent and affordable homes. The improved environment translates to higher academic achievement and reduced behavioral problems in children, as documented by Ohio State University. Community benefits include lower crime levels, increased property values, neighborhood revitalization and workforce stability.

FINANCIAL REPORT

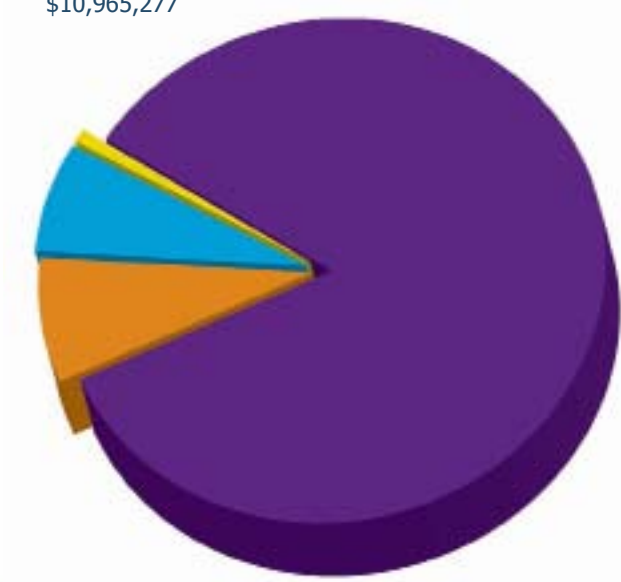
SUPPORT AND REVENUE

Gross Profit on Special Events	\$69,061
Other Income	\$105,395
Gain from Loan Sales	\$531,036
ReStore Net Income	\$699,998
Mortgage Discount Amortization	\$929,178
Donated Services and Materials	\$1,032,391
Grants and Contracts	\$1,793,044
Home Sales to Qualified Families	\$2,291,333
Contributions	\$4,002,830
TOTAL	\$11,454,266



EXPENSES

Contributions to HFH International	\$166,947
General and Administrative Services	\$716,139
Fundraising	\$887,295
Program Services	\$9,194,896
TOTAL	\$10,965,277



Basis for Preparation

These Condensed Financial Statements of Habitat for Humanity Central Arizona do not include all of the Financial Statements or Footnotes required by generally accepted accounting principals. Habitat for Humanity Central Arizona is audited by Mayer Hoffman McCann P.C., Certified Public Accountants. Copies of the audited Financial Statements are available online at habitatcaz.org



HFHCAZ built for 40 families (147 individuals – 88 children and 59 adults) during this time. Of these families, 60% were Hispanic, 17% were African-American, 12% were Caucasian, 8% were Asian and 3% were Arab American.



HFHCAZ partnered with 13,279 volunteers who spent 122,129 volunteer hours to help with home construction, committee work, office support and customer service support in our ReStores. Because of their dedication to the Habitat mission, we realized a labor savings of \$2,473,112. To learn more about volunteering, please visit our web site.



HFHCAZ managed several build sites throughout the Valley including Apache Junction, Chandler, Gilbert, Glendale, Peoria, Phoenix and Surprise.



HFHCAZ started a renovation program this year due to the changing housing market and completed three homes. HFHCAZ is the recipient of 25 homes that had been foreclosed upon, purchased at auction and then donated by an anonymous donor. HFHCAZ will renovate the homes, or if unsalvageable due to lead and asbestos, demolished and rebuild.



HFHCAZ's three ReStores served 71,387 customers.



HFHCAZ tithed 10% of our unrestricted operating revenue to Habitat for Humanity International. This gift of \$166,947 will aid in the building of 37 homes in Guatemala, Argentina, Nicaragua, Mexico, Macedonia, and support the Jimmy & Roselynn Carter Work Project in Thailand. HFHCAZ tithed more than \$1.3 million dollars and served more than 447 families worldwide since our founding in 1985.



HFHCAZ is a member of the United States Green Building Council. We design and build our homes according to LEED for Homes standards. LEED for Homes is a rating system that promotes the design and construction of green homes. A green home consumes fewer resources, creates less waste, and is healthier and more affordable for a homeowner to operate and maintain.



HFHCAZ is in the process of LEED certifying 36 homes (34 in Phoenix, 1 in Chandler, 1 in Gilbert) at varying levels. Habitat works with sponsors, vendors and others who have offered to help fund the additional costs associated with LEED upgrades and certification.



HFHCAZ partnered with Sonoran LEED, Energy Inspectors, APS, SRP, USGBC Arizona Chapter, Arizona Chamber of Commerce Energy Office, Maricopa County and the ASU Center for Affordable Housing to develop the first Green Building Guidelines for renovation projects.



APACHE JUNCTION

HFHCAZ built three more homes, completing the 18 home Ironwood Trails community. This is our first LEED Silver Certified community. Each of the homes include a Salt River Project donated solar photovoltaic system, which reduce homeowners' monthly energy bills by 45% and creates stored energy for shared usage.



GILBERT

HFHCAZ built our first home in the town of Gilbert. The home is seeking LEED certification.



GLENDALE

HFHCAZ completed another infill home in the Heart of Glendale and near Downtown Glendale. This home was the first LEED Platinum Certified home in the United States that was built by a Habitat affiliate.



SURPRISE

HFHCAZ continued building in Johnson Townhomes with the construction of two, five-unit buildings, completing a total of 15 of the planned 48 townhomes. The community will include a HOA and community park.



CHANDLER

HFHCAZ completed four new infill homes in a redevelopment neighborhood near Historic Downtown Chandler. Our new two-story model was designed and built to meet special lot and city requirements.



PEORIA

HFHCAZ continues revitalization work in neighborhoods by building four additional infill homes, like this one.



PHOENIX

HFHCAZ started a new community in South Phoenix, completing 15 of the 32 planned homes. Oro Vista includes a community park, HOA and a craftsman style to fit with the local neighborhood. Habitat will be seeking LEED Silver Certification on all the homes in Oro Vista.



Habitat for Humanity Central Arizona (HFHCAZ) had an incredible 2008-09 build season which I would like to reflect upon and share with you.

Together, we were able to build 40 homes which included 3 renovations, serve 147 individuals of which 88 were children, partner with 13,279 volunteers who shared 122,129 volunteer hours with Habitat, become the first U.S. Habitat affiliate to build a LEED Certified Platinum home, and launch a new renovation program to help stabilize our local community and serve more families. We successfully completed a merger between Valley of the Sun and West Valley Habitat affiliates and were able to pay off most of the affiliate's existing debt.

As we move forward with our 2009-10 build season we will continue to be challenged by economic conditions. HFHCAZ will strive to serve as many families in need as possible by building new homes and by increasing our home renovation efforts. Housing (shelter) is one of the three basic needs; this is why it is so important for HFHCAZ to continue its mission.

In the best of times, and especially when times are tough, securing simple, decent and affordable housing is a challenge for many hard working families. And so, HFHCAZ will continue to push forward with God's help and blessings and continued support of our community, which loves and embraces the mission of Habitat and the families we serve.

Roger G. Schwierjohn

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President & CEO

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