In 2020, Fahe celebrated our 40th Anniversary. For 40 years, our Network has been helping individuals and families build the American Dream. Through connecting local leaders to resources, deep collaborations, and building a strong collective voice, the Fahe Network has served over 687,000 people.

While the Coronavirus pandemic prevents a traditional in-person anniversary celebration, we honor our history in a different, more practical way. We celebrate these 40 years by applying our collective knowledge to the big crises before us: the global pandemic, economic shutdown, and systemic inequality, especially for people of color. Though these are difficult times, I find myself hopeful for the future. These are not the first crises faced by the Fahe Network. We have proven our strength and resourcefulness time and time again through our history of innovation and culture of performance. Furthermore, we are a Membership that has vision and the strength to carry out that vision. Supported by a foundation of 40 years of remarkable impact in one of the toughest areas to serve in the country, we are taking bold steps towards economic recovery and building a more inclusive economy.

Staying true to our 40-year history of collaboration, innovation, and performance driven results, we have devised a 10-year plan that will support the future generation of leaders. This plan builds on the foundation we’ve laid over the last 40 years and is guided by four cornerstones: increasing investment in the region by $6 Billion, growing the capacity of our Membership, changing the narrative around Appalachia and other underserved regions of persistent poverty, and expanding our tent to include new partners and friends, thereby increasing our Strength in Numbers. We lay this bold plan out in more detail in this annual report.

Thank you for your commitment to Fahe and our vision of building the American Dream for all families.

Sincerely,
Jim King

President’s Letter

STRENGTH IN NUMBERS:
FY2020 Stats and Figures

FY2020 Direct Network Investment
$276.7 Million
Total Historical Financial Impact
$1.61 Billion

People Served in FY2020
76,389
People Served Since Fahe’s Inception
687,183
2020 has been a time for us to reflect and learn from our past accomplishments as we seek solutions and work to change the current economic situation. We are living amidst the COVID-19 pandemic and an economic shutdown. We are dealing with the strain of economic recovery, both from the pandemic and an extraction economy crisis over 100 years in the making. And, during all this, the country is grappling with the brutal reminders of the systemic inequality faced by black, brown, and indigenous people. Times are difficult, but we are hopeful we can endure, overcome, and create a better way forward. The Fahe Network is a leader on these issues because we are a Membership that has vision and the courage to live out that vision. Our courage comes from a 40-year history of working together to overcome crises and creating real, lasting change. It's a powerful history that strengthens us as we address the current issues at hand and pave a way for the future.

COVID-19 has revealed to the rest of the nation the need for the services and investment the Fahe Network provides. It is more necessary than ever, we are seeing how the disparity of wealth directly impacts how people live and struggle to survive. Those who have historically received the least opportunity and investment have been hit the hardest. Fahe was founded to create thriving communities where the most vulnerable among us have equitable opportunities to achieve the American Dream. Fahe responded immediately to the crisis by providing financial relief services for both families and our Membership organizations. Families have been able to remain safe at home during a time of financial hardship. It also ensures our Members are financially viable, able to provide leadership, investment, and opportunity to their communities during the crisis and economic recovery.

Fahe serves Appalachia by bringing investment to the region, which provides opportunity and economic tools for families to use as they build their future. In FY2020, the Fahe Network made a direct investment of $276.7 Million which served 76,389 with housing and community development services. Over our 40 year history, we have served 687,183 people. We make this level of impact possible by supporting local leaders with capital and expertise, which enables them to expand the scope of work in their communities and create lasting change.

Our Network of leaders are more committed than ever to building a better future for Appalachia. Together, we will continue our work to construct a bigger tent with room for new and impactful partners. We will build collaborations that focus on what we have in common, not what divides us. We will seek opportunities to amplify a new narrative about what works in rural America. We will persevere in our efforts to connect our Members and partners to capital and expertise needed to move their communities towards prosperity. We will work to harness diverse perspectives and voices to inform advocacy that will ensure the availability of funding and opportunities that actually work in underserved communities. We will do all this to create thriving Appalachian communities where there are opportunities for all to achieve the American dream.
**Vision and Courage**

Our vision is to end persistent poverty in Appalachia and to do so during the next 40 years, a generation of work. It is a bold vision, yet the past 40 years have taught us we are capable.

**So over the next 10 years we will build the foundation capable of ending persistent poverty.** We start with the four cornerstones of increasing investment, expanding capacity, changing the narrative, and increasing our strength in numbers.

**Increasing Investment**

Fahe will bring to the region $1 Billion in new philanthropic resources, $2 Billion in new federal funding, and $3 Billion in new private capital over the next 10 years.

**Expanding Capacity**

Fahe will significantly expand capacity. In order to reach our goal of ending persistent poverty, our Members and local leaders must be able to effectively facilitate and deliver the level of capital needed to make significant and lasting change in our underserved region. Fahe will invest $370 Million a year to support our Network’s growth of existing capacity to ensure our Members can leverage new outside investments and within 10 years be capable of serving 200,000 people each year.

**Changing the Narrative**

Fahe will amplify stories of our region and people that are rooted in lived experience rather than stereotypes, helping Americans within and beyond our region’s borders see and appreciate the contributions Appalachia adds to our Nation’s story. Fahe’s mission is unequivocally interwoven with our belief that the American Dream should be possible for everyone. “Building the American Dream” is a compelling concept that incorporates the broad and deep work the Fahe Network and partners do together as well as the hope that all families have for a better life. By 2030, our region and people will participate in telling our side of this American story, celebrating how we build communities and economies that work for everyone. If we can build the American Dream in Appalachia, we can build it across our great plains, in our gleaming cities, in our deep south, in the isolated mountain valleys of the west.

**Increasing our Strength in Numbers**

Fahe will “build a bigger tent” to include new allies. Our collaborative efforts have produced powerful results over the past 40 years, yet we need greater support to enact lasting, long-term change. Jim King often references the saying: “If you want to go fast, go alone. If you want to go far, do something big, go with friends.” This is what “Strength in Numbers” means. At its core, the sentiment is about relationships. Not just business partners, but friends who will listen, sacrifice, and join with each other toward a greater vision.

Currently in our nation, there is so much divisiveness the future can seem hopeless. We, the Fahe Network, are on the ground in some of the most challenging parts of our country where people are convinced the nation has left them behind. To succeed at effective change, to create hope for the future, we all need to be on the same page. Despite differences, there are common grounds that everyone can agree, especially if people are willing to gain a better understanding of where their neighbors are coming from. Fahe will do the hard work of listening and having important conversations to garner a better understanding in our communities, even when people disagree. In order to take the step towards building this bigger tent, we need to invite new people to the conversation, starting with our communities and partners. Fahe is adding staff to work with our Members to build capacity around this effort. By 2030, we aim to grow our “Strength in Numbers” voice by 100 fold.

Dealing with crises and overcoming financial obstacles are hallmarks of the Fahe Network. We’ve survived the Great Recession, countless changes to programs, and cuts to budgets over the last 40 years by working together, innovating solutions, and building on hard-won expertise about what works in our region. Our work has never been easy, yet we have learned together that we can rise to the challenge and go further together. We are a Network that has vision and the courage to carry it out. We are Fahe.
### Statement of Activities
#### Fiscal Year 2020

<table>
<thead>
<tr>
<th>Revenue</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and Donations</td>
<td>$8,129,197</td>
</tr>
<tr>
<td>Interest and Investment Income</td>
<td>$2,912,465</td>
</tr>
<tr>
<td>Income from Operations</td>
<td>$1,872,901</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$12,914,613</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Services</td>
<td>$9,979,066</td>
</tr>
<tr>
<td>General and Administrative</td>
<td>$235,117</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$902,277</td>
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<tr>
<td>Membership</td>
<td>$1,064,909</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$12,181,369</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase (Decrease) in Net Assets</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets Under Management</strong></td>
<td><strong>$267,787,273</strong></td>
</tr>
</tbody>
</table>

### Statement of Financial Position
#### Fiscal Year 2020

<table>
<thead>
<tr>
<th>Assets</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$14,517,182</td>
</tr>
<tr>
<td>Receivables</td>
<td>$1,948,630</td>
</tr>
<tr>
<td>Investments</td>
<td>$195,548</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>$3,189,725</td>
</tr>
<tr>
<td>Mortgage notes receivable, net</td>
<td>$26,488,013</td>
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<tr>
<td>Notes receivable, net</td>
<td>$29,832,234</td>
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<tr>
<td>Other Assets</td>
<td>$1,219,727</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$77,358,059</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$861,362</td>
</tr>
<tr>
<td>Notes Payable</td>
<td>$39,320,247</td>
</tr>
<tr>
<td>EQ2</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>$2,091,538</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$46,273,147</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without Donor Restrictions</td>
<td>$16,304,471</td>
</tr>
<tr>
<td>With Donor Restrictions</td>
<td>$14,780,441</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>$31,084,912</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Liabilities &amp; Net Assets</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Liabilities &amp; Net Assets</strong></td>
<td><strong>$77,358,059</strong></td>
</tr>
</tbody>
</table>
Fahe’s Network of local leaders and partners builds communities and economies that work. Our Network builds resilient communities through our multi-tiered commitments to housing, education, health & well-being, economic opportunity, and well-resourced leadership.

Since 1980 the Fahe Network has served 687,183 people.

1980
Fahe is incorporated
4,231,1980

1981
Adrian Dominican Sisters provide one of Fahe’s first major investments.

1985
First mortgage is made.

1992
Fahe receives and deploys first HOME Program Funds.

1994
Dave Lollis attends the signing of the legislation establishing the CDFI Fund.

2009
The Fahe Network is a leader in establishing the USDA 502 Direct Packaging Pilot.

2014
Fahe Network completes Performance Challenge.

*Fiscal Year

To view the entire timeline go to: https://fahe.org/fahes-40th-anniversary/
Membership Network

ADFAC (Aid to Disadvantaged Families at Appalachian Counties) Oak Ridge, TN | www.adfac.org | Member Since 1997

Almost Heaven Habitat for Humanity Lewisburg, WV | www.almostheavenhabitat.org | Member Since 2013

Appalachia Habitat for Humanity Robbinsville, NC | www.appalachiabfh.org | Member Since 1986

Appalachia Service Project (ASP) Johnson City, TN | www.asphome.org | Member Since 1988

AppCAA (Appalachian Community Action & Development) Galax, VA | www.appcaa.org | Member Since 2005

Beattyville Housing & Development Corporation (BHDC) Beattyville, KY | www.beattyvillehousingky.org | Member Since 2009


Blount County Habitat for Humanity Maryville, TN | www.blounthabitat.org | Member Since 2005

Christian Appalachian Project (CAP) Middlesboro, KY | www.christianapp.org | Member Since 2000

COAP, Inc. Norton, KY | www.coapinc.org | Member Since 1980


Coalfield Development Wayne, WV | www.coalfielddevelopment.org | Member Since 2016


Community Housing Partners (CHP) Christiansburg, VA | www.communityhousingpartners.org | Member Since 1980

Community Ventures Lexington, KY | www.communityventures.org | Member Since 2009

Creative Compassion, Inc. (CCI) Crossville, TN | www.ccihomes.org | Member Since 1997

Crossville Housing Authority (CHA) Crossville, TN | www.crossvillehousing.org | Member Since 2006

Eastern Eight Community Development Corporation Johnson City, TN | www.easteneight.org | Member Since 2003

Fairmont-Morgantown Housing Authority (FMHA) Fairmont, WV | www.fmhousing.com | Member Since 2002

Foothills Community Development Corporation Maryville, TN | Member Since 2004

Frontier Housing Morehead, KY | www.frontierky.org | Member Since 1980

Garett County Community Action Committee (GCCAC) Oakland, MD | www.garettccac.com | Member Since 2014

Hate Empowerment & Revitalization Organization (HERO) Greensboro, AL | www.heromobile.org | Member Since 2012

HomeOwnership Center (HOC) Elkton, KY | www.homewestky.org | Member Since 2004

HOMEs, Inc. (Housing Oriented Ministries Established for Service) Whitesburg, KY | www.homesinc.com | Member Since 1983

HomeSource east tennessee Knoxville, TN | www.homesourcetn.org | Member Since 2008

HOPE, Inc. (Helping Overcome Poverty’s Existence) Wytheville, VA | www.hopeincva.org | Member Since 1992

Housing Authority of Mingo County Beckley, WV | www.mingohousing.com | Member Since 2004

Housing Development Alliance (HDA) Hazard, KY | www.housingdevelopmentalliance.org | Member Since 1993


Kentucky Highlands Investment Corp. (KHIC) London, KY | www.khic.org | Member Since 2010

Kentucky Mountain Housing Development Corporation, Inc. (KMHDC) Manchester, KY | www.kentuckymountainhousing.org | Member Since 1980

Kentucky River Community Care (KRCC) Hazard, KY | www.krcc.com | Member Since 2008


Kingsport Housing & Redevelopment Authority (KHRA) Kingsport, TN | www.kingsporthousing.org | Member Since 2005

Knoxville Habitat for Humanity Knoxville, TN | www.knoxvillenhabitat.org | Member Since 2014

Knoxville Leadership Foundation (KLF) Knoxville, TN | www.klf.org | Member Since 2009

Loudon County Habitat for Humanity Loudon, TN | www.loudoncountyhabitat.org | Member Since 2016

Mingo County Habitat for Humanity Huntington, WV | www.mingohousing.com | Member Since 2009

Mon Valley Habitat for Humanity Morgantown, WV | www.monvalleynm.org | Member Since 2014

Mountain T.O.P. Coal Mountain, TN | www.mountain-top.org | Member Since 2017

Neighborhood Concepts, Inc. (NCI) Huntsville, AL | www.neighconcepts.org | Member Since 2019

North Central West Virginia Community Action Agency (NCWCAA) Phillipi, WV | www.ncwcaa.org | Member Since 2013

PHC Partnership Housing Inc. Booneville, KY | www.partnershiphousinginc.org | Member Since 2009

People Inc. Abingdon, VA | www.peopleninc.net | Member Since 1989

Randolph County Housing Authority (RCHA) Elkins, WV | www.randolphhousing.org | Member Since 1983


South Eastern Appalachian Community Development (SEACD) Inc. Bridgeport, WV | www.seacd.org | Member Since 2012


Woodlands Development Group Elkins, WV | www.wdgbv.org | Member Since 2003

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# Acknowledgments

We gratefully acknowledge the generous support of these organizations and individuals, who, through grants, loans, donations, volunteer work, and the sharing of expertise, contributed to Fahe’s success this fiscal year.

1. Andrew Schenker
2. Annabelle Gardner
3. The Annie E. Casey Foundation
4. Appalachian Community Capital
5. Appalachian Regional Commission
6. Bank of America Community Development Corporation
7. Byron and Lee Stookey
8. CDFI Fund
9. Ceniarth Wales Interests, L.P.
10. Central Bank
11. Clients of the Sustainability Group, part of Loring Wolcott & Coolidge Trust
12. Commercial Bank
13. Commonwealth of Kentucky – Cabinet for Health and Family Services
14. Compass Bank
15. Congregation of the Sisters of Charity of the Incarnate Word
16. Congregation of the Sisters of St. Joseph
17. David Roswell
18. Deutsche Bank
19. Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America
20. Emma C. Trevor
21. Fannie Mae
22. Federal Home Loan Bank of Cincinnati
23. Flagstar
24. Freddie Mac
25. Freedom Mortgage
26. Glenmary Home Missioners
27. HEAD Corporation
28. Joe Belden
29. Jones Family Farm
30. JP Morgan Chase Foundation
31. Just Transition Fund
32. Kentucky Department of Local Government
33. Kentucky Housing Corporation
34. LISC
35. Locus
36. Lynn and Crit Luallen
37. Loring, Wolcott & Coolidge
38. Mountain Association
39. Maureen Flannery
40. Mary Reynolds Babcock Foundation
41. Mercy Investment Services
42. MIT Sloan School of Management
43. Natural Investments, LLC
44. NeighborWorks America
45. Opportunity Finance Network
46. Paula and Larry Withers
47. People’s Self-Help Housing
48. Pinnacle Bank
49. PNC Bank, National Association
50. Religious Communities Investment Fund, Inc.
51. Republic Bank & Trust Company
52. Robert Wood Johnson Foundation
53. Rural LISC
54. Ruth L. Hays
55. Sara and John Morgan
56. Scott Insurance
57. Seton Enablement Fund
58. Sisters of Charity of Nazareth
59. Suntrust Bank, now Trust
60. Sustainable Communities Fund
61. Sylvia and Vickie Jones
62. Tennessee Housing Development Agency
63. Tom Carew
64. Uplift America Fund
65. The Urban Institute
66. US Department of Agriculture
67. US Department of Housing and Urban Development
68. US Department of Treasury
69. Virginia Community Capital
70. Virginia Housing (formerly VHDA)
71. Virginia Organizing Project
72. Wells Fargo Bank
73. Wells Fargo Housing Foundation
74. West Virginia Housing Development Fund
75. Woodforest National Bank