

# 2004 Annual Report

April 15, 2005

## **MISSION STATEMENT**

*HOME's mission is to eliminate unlawful discrimination in housing, with primary focus on racial discrimination, and to promote integrated living patterns.*



**Housing Opportunities Made Equal**  
2400 Reading Road, Ste. 404  
Cincinnati, OH 45202

## **Table of Contents**

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Board of Trustees .....	2
Committees .....	3
Legal Counsel.....	3
HOME Staff .....	4
Director's Report.....	5
Program Reports	
Enforcement.....	8
Education & Outreach .....	9
Mobility .....	10
Financial Reports	
Auditor's Statement .....	11
2004 Statement of Financial Position.....	12
2004 Statement of Activities.....	13
2004 Statement of Functional Expenses.....	14
2004 Statement of Cash Flows .....	15

## Housing Opportunities Made Equal Board of Trustees - 2004

### Officers

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Vernita Henderson - President

Regine Ransohoff - Vice President

Marian Spencer - Vice President

Joyce Lavender Che - Secretary

Robert Hall - Treasurer

### 2004 Board Members

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Frank Bowen, Jr.

Dottie L. Lewis

James D. Cohen

Frederick M. Morgan

Robert Hall

Karen Ramundo

Robert Harris

Regine Ransohoff

Vernita Henderson

Marian Spencer

Harold Jones

Michele Stacy

Charles Judd

Billie Van Winkle

Joyce Lavender Che

Johnnie Walker, Jr.

Steve Warkany

## 2004 Board of Trustee Committees

### Executive Committee

Vernita Henderson, Chair  
Robert Hall  
Joyce Lavender Che  
Marian Spencer  
Regine Ransohoff

### Long Range Planning Committee

Frank Bowen, Jr., Chair  
Jim Cohen  
Karen Ramundo  
Regine Ransohoff

### Finance and Investment Committee

Robert Hall, Chair  
Elizabeth Brown

### Membership & Orientation Committee

Marian Spencer, Chair  
Harold Jones  
Regine Ransohoff  
Billie Van Winkle

### HALF Committee

Rick Morgan, Chair  
Robert Hall  
Dottie Lewis

### Personnel Committee

Michele Stacy, Chair  
Vernita Henderson  
Harold Jones

### Advisory Committee

Vernita Henderson, Chair  
Charles Bronson  
J. C. Johnson  
Robert Laufman  
Rev. Damon Lynch, Jr.  
Samuel Ross

### Program Oversight Committee

Open, Chair  
Johnnie Walker, Jr.  
Elizabeth Brown

### Legal Counsel

Matthew Brownfield

### Mediation Board of Trustees

Robert Harris  
Charles Judd  
Regine Ransohoff

## **2004 HOME Staff**

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Elizabeth Brown	Executive Director
Ruth Abdullah	Testing & Investigations Coordinator
Tom Bender	Office Manager
Bill Berger	Research & Advocacy Coordinator
Carol Coaston	Client Services Coordinator
Jeannette Clark	Volunteer, Receptionist
Pam Dixon	FHIP, Hispanic Program Manager
Dotty Hall	Housing Counselor
Deborah Jetter	Education & Outreach Program Manager
Rosetta Johnson	AARP Intern Receptionist
Teresita Lewis	FHIP, Hispanic Testing & Investigations Coordinator

## **Executive Director's Report**

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2004 was a year of transition for Housing Opportunities Made Equal. In May, after 27 years as Executive Director, Karla Irvine retired. Karla grew HOME into a fair housing agency with a national reputation for high quality programs and successful enforcement of the fair housing laws. She was a national leader in the fair housing movement, helping to found the National Fair Housing Alliance and mentoring new agencies in other urban areas. HOME is very much the product of Karla's vision, leadership, and strength.

The Board conducted an executive search and in August, I left HUD and became HOME's new executive director. In the months between directors, the Executive Committee of the Board not only spent long hours on the search and interviewing process, but also were more involved with day to day operations of the agency. Staff members put in an exceptional effort to fill the gap between directors.

So what did I find upon coming to HOME as the new executive director? I found an extremely experienced and dedicated staff. Staff levels were reduced early in the year due to cuts in United Way funding and the loss of a contract with CMHA. By the end of 2004, HOME had 9 full time employees. While the workload stretched the staff's ability to meet client needs, there was a lively team spirit. When the agency was without an executive director, staff members pulled together to develop and write a major, and successful, HUD proposal.

I was pleasantly surprised at the support HOME receives from the real estate industry. The Boards of Realtor, the Greater Cincinnati and Northern Kentucky Apartment Association, and the Cincinnati Real Estate Investors Association are partners with HOME in providing fair housing training for their members. HOME also partners with the industry on the Fair Housing Mediation Service. Members of the real estate industry spoke up strongly in HOME's support when local elected officials threatened large cuts in our budget.

I also found a shocking level of blatant discrimination in the greater Cincinnati area. I came to HOME because I knew discrimination continued and I felt a commitment to HOME's mission. I had not expected the emotional impact of talking

regularly with clients who have been rudely insulted by property owners or neighbors and told that their kind is not wanted. While most HOME cases involve subtle discrimination that requires careful evidence gathering, it is the cases of in-your-face hateful words and actions that continue to shock me and make me very glad that HOME exists.

In addition to providing client services, there are a number of current issues effecting fair housing that HOME will be working on in 2005:

- Proposed national cuts in the Section 8 housing choice voucher program will reduce housing and neighborhood choices for low-income families. Locally, reductions in Section 8 rents will make it more difficult for HOME's Mobility program to find willing landlords in the suburbs.
- Several neighborhoods in the Cincinnati area are experiencing racial transitions. Community members are working to create stable integrated communities, rather than simply see one race move in while another moves out. HOME has received complaints of blockbusting in Westwood where some real estate agents may be making a profit by encouraging white flight. Redevelopment around the University of Cincinnati is significantly reducing the number of African Americans in a neighborhood that at the time of the 2000 Census was evenly balanced 50% White/50% Black.
- The growing Hispanic population in the metropolitan area has significant housing needs. Problems of discrimination often combine with substandard housing conditions. Over the last several years HOME has developed a Hispanic Program, funded by a HUD grant that ends in August 2005. Staff are respected and trusted by the immigrant community and have been able to resolve significant issues through advocacy with landlords. The need for this program continues to grow.
- Predatory lending continues to erode African American homeownership. Ohio now has the dishonor of having the highest foreclosure rate in the nation. A grant from the Greater Cincinnati Foundation permitted HOME to have a full-time employee working on predatory lending issues through the first quarter of 2004. We will continue to partner with other groups working in this area. In 2005 HOME will be

targeting predatory lending prevention assistance to three neighborhoods with high foreclosure rates, Lincoln Heights, Avondale, and South Fairmount.

HOME's funding future is not bright. For years local governments have been a stable source of funding for fair housing services using their CDBG funds. On the Federal level, the funding going to local governments is being squeezed and there are proposals to cut it drastically. The City of Cincinnati cut HOME's CDBG funding by at least 10% for 2005 and the outlook for the coming years is not good as local governments struggle to make up for the loss of Federal and state funding. Grants from HUD continue to be available, but are increasingly competitive and are not a stable source of funding. One goal for fund development in the future is to build a broader base of private membership and local support to balance the uncertainties of government funding.

Several projects in the last couple of years have selected key indicators to measure the socio-economic health of the greater Cincinnati region, including Sustainable Cincinnati and the United Way's 2004 State of the Community Report. Each has selected the level of racial segregation as one key indicator. We live in the 8<sup>th</sup> most segregated urban region in the nation. HOME is committed to ensuring that individual families have housing choice, and that among their choices is the possibility of finding the home they want in a stable integrated community.

Overall, I am delighted to be part of a dedicated group of people working to achieve HOME's mission to eliminate illegal discrimination in housing and help build stable integrated communities. I am blessed to have the opportunity to work with committed Board members, a welcoming staff, and supportive community and industry partners.

Respectfully,



Elizabeth Brown,  
Executive Director

## **Enforcement:**

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HOME's core service is helping people who feel they have experienced housing discrimination. In 2004 we received over 1500 inquiries. Of these, 349 involved potential illegal housing discrimination. 45% of the complaints involved racial discrimination and 33% of the complaints involved discrimination based on national origin. The relative high percentage of national origin complaints is due to active outreach in the Hispanic community made possible by a Fair Housing Initiative Program (FHIP) grant from HUD.

### **COMPLAINTS RECEIVED IN 2004**

<b>PROTECTED CLASS</b>	<b>RENTAL</b>	<b>SALES</b>	<b>LENDING / APPRAISAL</b>	<b>INSURANCE</b>	<b>HARASSMENT</b>	<b>OTHER</b>	<b>TOTAL</b>
<b>RACE</b>	102	14	31	2	8	1	<b>158</b>
<b>DISABILITY</b>	25	0	0	0	1	0	<b>26</b>
<b>FAM. STATUS</b>	22	0	0	0	0	0	<b>22</b>
<b>SEX</b>	8	0	5	0	0	0	<b>13</b>
<b>NAT'L ORIGIN</b>	91	2	0	0	16	5	<b>114</b>
<b>COLOR</b>	1	0	1	0	0	0	<b>2</b>
<b>RELIGION</b>	1	0	0	0	0	0	<b>1</b>
<b>OTHER</b>	0	2	0	1	0	10	<b>13</b>
<b>TOTAL</b>	<b>250</b>	<b>18</b>	<b>37</b>	<b>3</b>	<b>25</b>	<b>16</b>	<b>349</b>

In addition to gathering evidence based on complaints, HOME proactively tests the housing market in the greater Cincinnati area. In 2004 HOME conducted 600 rental and sales tests. While most of these showed no discrimination, the knowledge that HOME is constantly testing the rental market, combined with fair housing education, is a strong deterrent to illegal discrimination.

When discrimination is found, HOME explains options to the client. In some cases intervention by HOME staff with a landlord is sufficient to bring a positive result. HOME assists clients in filing formal complaints with HUD or may refer them to an attorney. Clients also are offered the option of private mediation through the Housing Mediation Service, a joint project between HOME and the Greater Cincinnati and Northern Kentucky Apartment Association. The Mediation Service was not operating for part of 2004, however by the end of the year HOME was referring about 6 clients a month to mediation.

## **Outreach & Education:**

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In 2004 HOME provided fair housing training to 2,635 real estate agents and rental property managers and staff in Hamilton and Butler Counties. Many of the training sessions were conducted through Boards of Realtors and real estate investment associations.

Radio advertising was conducted on radio stations with large African American audiences telling people if they feel they have experienced discrimination to “Call 721-HOME.” Brochures and written materials were distributed through community agencies. Print advertising appeared regularly in the Hispanic Journal.

## **Mobility:**

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HOME has run a Mobility Program since 1982 when it was part of a consent order settling *Hutchens, et. al. v. CMHA & HUD*. The purpose of a mobility program is to give Section 8 Voucher families the opportunity to find rental housing in low poverty and non-racially impacted areas of Greater Cincinnati. During 2004, HOME helped 125 families with rental assistance move to non-poverty areas (15% or less poverty). This was a 36% increase over placements in 2003. A soft rental market aided the program in 2004. Owners appreciated the referral of tenants pre-screened by HOME. Tenant reasons for making Mobility moves included wanting to be closer to employment, better schools, and the availability of newer properties. 55% of the Mobility moves in 2004 were to single-family homes.



**COLLINS HEEB MILLER & CO., INC.**  
CERTIFIED PUBLIC ACCOUNTANTS

4903 VINE STREET  
CINCINNATI, OH 45217-1252

#### INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Housing Opportunities Made Equal of  
Greater Cincinnati, Inc.  
Cincinnati, Ohio

We have audited the accompanying statements of financial position of Housing Opportunities Made Equal of Greater Cincinnati, Inc. (an Ohio not-for-profit organization) at December 31, 2004 and 2003, the related statements of activities, statements of functional expenses and the statements of cash flows for the years then ended. These financial statements are the responsibility of organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of Housing Opportunities Made Equal of Greater Cincinnati, Inc. as of December 31, 2003 were audited by other auditors whose report dated April 19, 2004 expressed an unqualified opinion on these statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the organization prepares its financial statements on the modified cash basis; accordingly, certain expenses are recorded when paid rather than when the obligation is incurred, except that the statements include a provision for depreciation of improvements and equipment. This basis is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Housing Opportunities Made Equal of Greater Cincinnati, Inc. at December 31, 2004 and 2003, and the results of its activities and its cash flows for the years then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated February 16, 2005 on our consideration of Housing Opportunities Made Equal of Greater Cincinnati, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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Housing Opportunities Made Equal

2004 Annual Report

HOUSING OPPORTUNITIES MADE EQUAL OF  
GREATER CINCINNATI, INC.

STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS

December 31, 2004 and 2003

<u>ASSETS</u>	<u>2004</u>	<u>2003</u>
Current assets:		
Cash - Fifth Third Bank:		
Checking	\$ 6,969	\$ 28,566
Payroll	249	-
Money market	7,905	-
Petty cash	-	94
Accounts receivable - government contracts	17,048	64,301
Prepaid insurance	<u>3,623</u>	<u>4,815</u>
Total current assets	35,794	97,776
Furniture and equipment, at cost	70,676	69,537
Less accumulated depreciation	<u>69,765</u>	<u>69,537</u>
Net furniture and equipment	911	-
Deposit - workers' compensation	496	5,527
Total assets	<u>\$37,201</u>	<u>\$103,303</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable - trade	\$ 207	\$ -
Accrued payroll and payroll taxes	<u>15,086</u>	<u>8,150</u>
Total current liabilities	15,293	8,150
Net assets:		
Unrestricted	<u>21,908</u>	<u>95,153</u>
Total liabilities and net assets	<u>\$37,201</u>	<u>\$103,303</u>

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CERTIFIED PUBLIC ACCOUNTANTS

**HOUSING OPPORTUNITIES MADE EQUAL OF  
GREATER CINCINNATI, INC.**

**STATEMENTS OF ACTIVITIES - MODIFIED CASH BASIS**

Years ended December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<b>Changes in unrestricted assets:</b>		
<b>Support and revenue:</b>		
United Way	\$ 70,100	\$ 71,179
Government grants	492,917	494,832
Program service fees	24,396	71,722
Contributions	125,460	212,793
Membership dues	9,760	8,216
Miscellaneous	267	179
Interest income	63	-
<b>Total unrestricted income</b>	<u>722,963</u>	<u>858,921</u>
<b>Expenses:</b>		
Program services	729,149	831,753
Management and general	54,049	-
Fund raising	2,359	53,571
<b>Total unrestricted expenses</b>	<u>785,557</u>	<u>885,324</u>
<b>Decrease in unrestricted net assets</b>	(62,594)	(26,403)
<b>Transfer funds to Fair Housing Mediation Services</b>	(10,651)	-
<b>Net assets at beginning of year</b>	<u>95,153</u>	<u>121,556</u>
<b>Net assets at end of year</b>	<u>\$ 21,908</u> =====	<u>\$ 95,153</u> =====

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CERTIFIED PUBLIC ACCOUNTANTS

## STATEMENTS OF FUNCTIONAL EXPENSES

Years ended December 31, 2004 and 2003

	Program Services	Management and general	Fund Raising	Total 2004	2003
Salaries	\$451,377	\$29,492	\$1,406	\$482,275	\$510,955
Employee benefits	47,763	1,858	145	49,766	55,979
Payroll taxes	40,003	3,232	141	43,376	40,369
<b>Total salaries and related expenses</b>	<b>539,143</b>	<b>34,582</b>	<b>1,692</b>	<b>575,417</b>	<b>607,303</b>
Contract and professional fees:					118,948
Legal	-	128	-	128	-
Auditing	2,250	2,250	-	4,500	-
Payroll service	1,252	1,303	-	2,555	-
Contractors	15,706	-	-	15,706	-
Accounting	1,659	1,726	-	3,385	-
Testers	8,684	-	-	8,684	-
	29,551	5,407	-	34,958	118,948
Supplies	5,611	2,888	-	8,499	10,239
Telephone	8,167	5,524	-	13,691	13,922
Postage	1,560	611	-	2,171	2,385
Occupancy:					39,238
Office rent	14,696	9,463	-	24,159	-
Maintenance	2,383	1,534	-	3,917	-
Parking lot	1,504	216	-	1,720	-
	18,583	11,213	-	29,796	39,238
Equipment lease and maintenance:					4,768
Van lease	4,532	-	-	4,532	-
Maintenance	3,091	-	-	3,091	-
	7,623	-	-	7,623	4,768
Printing	3,167	2,539	667	6,373	5,934
Travel	6,732	986	-	7,718	6,788
Conferences and meetings	1,245	750	-	1,995	353
Assistance to individuals	10,957	(350)	-	10,607	-
Membership dues	-	1,190	-	1,190	962
Advertising	49,172	1,109	-	50,281	51,358
Awards and grants	-	3,000	-	3,000	5,962
Moving expenses	-	5,359	-	5,359	-
Miscellaneous	206	2,539	-	2,745	8,057
Depreciation	-	228	-	228	-
Allocations to agencies	10,000	-	-	10,000	-
Bank service fees	-	4,143	-	4,143	-
General and liability insurance	7,070	2,693	-	9,763	9,107
Indirect cost allocation	30,362	(30,362)	-	-	-
	190,006	19,467	667	210,140	278,021
	\$729,149	\$54,049	\$2,359	\$785,557	\$885,324
	*****	*****	*****	*****	*****

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CERTIFIED PUBLIC ACCOUNTANTS

Housing Opportunities Made Equal

2004 Annual Report

HOUSING OPPORTUNITIES MADE EQUAL OF  
GREATER CINCINNATI, INC.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Decrease in unrestricted net assets	\$ (62,594)	\$ (26,403)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	228	-
(Increase) decrease in:		
Accounts receivable	47,253	(6,875)
Prepaid insurance	1,192	(330)
Increase (decrease) in:		
Accrued liabilities	<u>7,143</u>	<u>(2,754)</u>
Net cash provided by (used in) operating activities	(6,778)	(36,362)
Cash flows from investing activities:		
Additions to property and equipment	(1,139)	-
(Increase) decrease in deposits	5,031	-
Transfer funds to Fair Housing Mediation	<u>(10,651)</u>	<u>-</u>
Net cash provided by (used in) Investing activities	(6,759)	-
Net decrease in cash	(13,537)	(36,362)
Cash at beginning of year	<u>28,660</u>	<u>65,022</u>
Cash at end of year	<u>\$ 15,123</u>	<u>\$ 28,660</u>

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