

*Consolidated  
Financial Statements  
Year Ended  
June 30, 2013 and 2012*



*Housing Opportunities Made Equal of Virginia,  
Inc. and Affiliate*



**DIXON HUGHES GOODMAN** LLP  
Certified Public Accountants and Advisors

***Housing Opportunities Made Equal of Virginia, Inc.***

***Contents***

	<b>Page</b>
<b><i>Independent Auditor's Report</i></b>	1 - 2
<b><i>Consolidated Financial Statements</i></b>	
<i>Consolidated Statements of Financial Position, With Consolidating Information</i>	3 - 4
<i>Consolidated Statements of Activities, With Consolidating Information</i>	5 - 6
<i>Consolidated Statements of Cash Flows</i>	7
<i>Notes to Consolidated Financial Statements</i>	8 - 14
<b><i>Supplementary Information</i></b>	
<i>Consolidated Schedules of Functional Expenses</i>	15 - 16



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## ***Independent Auditor's Report***

Board of Directors

***Housing Opportunities Made Equal of Virginia, Inc. and Affiliate***

### ***Report on the Financial Statements***

We have audited the accompanying consolidated financial statements of Housing Opportunities Made Equal of Virginia, Inc. and Affiliate, which comprise the consolidated statements of financial position as of June 30, 2013 and 2012, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Housing Opportunities Made Equal of Virginia, Inc. and Affiliate as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information shown on pages 15-16 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Dixon Hughes Goodman LLP*

Richmond, Virginia  
December 3, 2013

*Housing Opportunities Made Equal of Virginia, Inc. and Affiliate*

*Consolidated Statement of Financial Position, With Consolidating Information*

**June 30, 2013**

	Consolidating Information		Consolidated
	H.O.M.E.	Foundation	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 577,498	\$ 306,712	\$ 884,210
Due from (to) affiliate	(6,589)	6,589	-
Investments	-	7,932,714	7,932,714
Accounts receivable - grants and contracts	372,203	-	372,203
Accounts receivable - other	17,916	-	17,916
Prepaid expenses	61,431	-	61,431
Other current assets	17,805	-	17,805
<b>Total current assets</b>	<b>1,040,264</b>	<b>8,246,015</b>	<b>9,286,279</b>
<b>Property and equipment - net</b>	<b>21,527</b>	<b>-</b>	<b>21,527</b>
	<b>\$ 1,061,791</b>	<b>\$ 8,246,015</b>	<b>\$ 9,307,806</b>
<b>Liabilities and Net Assets</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses	\$ 22,858	\$ 9,987	\$ 32,845
Accrued payroll liabilities	181,035	-	181,035
Deferred rent - current portion	11,509	-	11,509
<b>Total current liabilities</b>	<b>215,402</b>	<b>9,987</b>	<b>225,389</b>
<b>Long-term liabilities</b>			
Deferred rent - less current portion	44,120	-	44,120
<b>Total liabilities</b>	<b>259,522</b>	<b>9,987</b>	<b>269,509</b>
<b>Net assets</b>			
Unrestricted - undesignated	447,089	8,236,028	8,683,117
Unrestricted - Board designated	216,923	-	216,923
<b>Total unrestricted net assets</b>	<b>664,012</b>	<b>8,236,028</b>	<b>8,900,040</b>
Temporarily restricted	138,257	-	138,257
<b>Total net assets</b>	<b>802,269</b>	<b>8,236,028</b>	<b>9,038,297</b>
	<b>\$ 1,061,791</b>	<b>\$ 8,246,015</b>	<b>\$ 9,307,806</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

*Housing Opportunities Made Equal of Virginia, Inc. and Affiliate*

*Consolidated Statement of Financial Position, With Consolidating Information*

**June 30, 2012**

	Consolidating Information			Consolidated
	H.O.M.E.	Foundation	Eliminating	Total
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 594,936	\$ 368,889	\$ -	\$ 963,825
Due from Foundation	125,053	-	(125,053)	-
Investments	-	8,718,391	-	8,718,391
Accounts receivable - grants and contracts	367,297	-	-	367,297
Accounts receivable - other	704	-	-	704
Prepaid expenses	55,201	-	-	55,201
Other current assets	17,757	-	-	17,757
<b>Total current assets</b>	<b>1,160,948</b>	<b>9,087,280</b>	<b>(125,053)</b>	<b>10,123,175</b>
<b>Property and equipment - net</b>	<b>37,512</b>	<b>-</b>	<b>-</b>	<b>37,512</b>
	<b>\$ 1,198,460</b>	<b>\$ 9,087,280</b>	<b>\$ (125,053)</b>	<b>\$ 10,160,687</b>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities</b>				
Accounts payable and accrued expenses	\$ 36,875	\$ 11,234	\$ -	\$ 48,109
Due to HOME	-	125,053	(125,053)	-
Accrued payroll liabilities	192,311	-	-	192,311
Deferred revenue	19,344	-	-	19,344
Deferred rent - current portion	10,610	-	-	10,610
<b>Total current liabilities</b>	<b>259,140</b>	<b>136,287</b>	<b>(125,053)</b>	<b>270,374</b>
<b>Long-term liabilities</b>				
Deferred rent - less current portion	56,528	-	-	56,528
<b>Total liabilities</b>	<b>315,668</b>	<b>136,287</b>	<b>(125,053)</b>	<b>326,902</b>
<b>Net assets</b>				
Unrestricted - undesignated	471,839	8,950,993	-	9,422,832
Unrestricted - board designated	216,923	-	-	216,923
Total unrestricted net assets	688,762	8,950,993	-	9,639,755
Temporarily restricted	194,030	-	-	194,030
<b>Total net assets</b>	<b>882,792</b>	<b>8,950,993</b>	<b>-</b>	<b>9,833,785</b>
	<b>\$ 1,198,460</b>	<b>\$ 9,087,280</b>	<b>\$ (125,053)</b>	<b>\$ 10,160,687</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

*Housing Opportunities Made Equal of Virginia, Inc. and Affiliate*

*Consolidated Statement of Activities, With Consolidating Information*

**Year Ended June 30, 2013**

	Consolidating Information					Consolidated Total
	H.O.M.E.			Foundation		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Eliminating	
<b>Revenue and support</b>						
Grants and contracts	\$ -	\$ 1,182,256	\$ 1,182,256	-	-	\$ 1,182,256
Contributions	1,429,290	82,761	1,512,051	-	(1,393,411)	118,640
Net investment income	647	-	647	682,634	-	683,281
Legal settlements	8,040	-	8,040	-	-	8,040
Miscellaneous	6,178	-	6,178	-	-	6,178
Loan repayments	9,434	-	9,434	-	-	9,434
	1,453,589	1,265,017	2,718,606	682,634	(1,393,411)	2,007,829
<b>Net assets released from restrictions</b>	1,320,790	(1,320,790)	-	-	-	-
<b>Total revenue and support</b>	2,774,379	(55,773)	2,718,606	682,634	(1,393,411)	2,007,829
<b>Expenses</b>						
Program services	2,357,429	-	2,357,429	1,393,411	(1,393,411)	2,357,429
Management and general	250,090	-	250,090	4,188	-	254,278
Fundraising	191,610	-	191,610	-	-	191,610
	2,799,129	-	2,799,129	1,397,599	(1,393,411)	2,803,317
<b>Change in net assets</b>						
Unrestricted	(24,750)	-	(24,750)	(714,965)	-	(739,715)
Temporarily restricted	-	(55,773)	(55,773)	-	-	(55,773)
	(24,750)	(55,773)	(80,523)	(714,965)	-	(795,488)
<b>Net assets - beginning of year</b>	688,762	194,030	882,792	8,950,993	-	9,833,785
<b>Net assets - end of year</b>	\$ 664,012	\$ 138,257	\$ 802,269	\$ 8,236,028	\$ -	\$ 9,038,297

*The accompanying notes are an integral part of these consolidated financial statements.*

*Housing Opportunities Made Equal of Virginia, Inc. and Affiliate*

*Consolidated Statement of Activities, With Consolidating Information*

**Year Ended June 30, 2012**

	Consolidating Information					Consolidated Total
	H.O.M.E.			Foundation		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Eliminating	
<b>Revenue and support</b>						
Grants and contracts	\$ -	\$ 1,867,764	\$ 1,867,764	\$ -	\$ -	\$ 1,867,764
Contributions	1,280,762	74,250	1,355,012	-	(1,125,054)	229,958
Net investment income	644	-	644	603,882	-	604,526
Legal settlements	7,065	-	7,065	-	-	7,065
Miscellaneous	20,066	-	20,066	-	-	20,066
Loan repayments	600	-	600	-	-	600
Loss on disposal of assets	(227)	-	(227)	-	-	(227)
	1,308,910	1,942,014	3,250,924	603,882	(1,125,054)	2,729,752
<b>Net assets released from restrictions</b>	1,943,060	(1,943,060)	-	-	-	-
<b>Total revenue and support</b>	3,251,970	(1,046)	3,250,924	603,882	(1,125,054)	2,729,752
<b>Expenses (see schedule)</b>						
Program services	2,647,391	-	2,647,391	1,125,054	(1,125,054)	2,647,391
Management and general	323,346	-	323,346	23,591	-	346,937
Fundraising	240,464	-	240,464	-	-	240,464
	3,211,201	-	3,211,201	1,148,645	(1,125,054)	3,234,792
<b>Change in net assets</b>						
Unrestricted	40,769	-	40,769	(544,763)	-	(503,994)
Temporarily restricted	-	(1,046)	(1,046)	-	-	(1,046)
	40,769	(1,046)	39,723	(544,763)	-	(505,040)
<b>Net assets - beginning of year</b>	647,993	195,076	843,069	9,495,756	-	10,338,825
<b>Net assets - end of year</b>	\$ 688,762	\$ 194,030	\$ 882,792	\$ 8,950,993	\$ -	\$ 9,833,785

*The accompanying notes are an integral part of these consolidated financial statements.*

*Housing Opportunities Made Equal of Virginia, Inc. and Affiliate*

*Consolidated Statements of Cash Flows*

<b>Year Ended June 30,</b>	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (795,488)	\$ (505,040)
Adjustments to reconcile to net cash from operating activities:		
Depreciation	17,074	16,863
Amortization of deferred rent	(11,509)	(12,635)
Net realized and unrealized gains on investments	(445,252)	(375,617)
Loss on disposal of assets	-	227
Bad debt expense	-	21,785
Change in:		
Accounts receivable - grants and contracts	(4,906)	(24,397)
Accounts receivable - other	(17,212)	7,172
Interest receivable	-	30,385
Prepaid expenses	(6,230)	(925)
Other current assets	(48)	55,084
Accounts payable and accrued expenses	(15,264)	24,811
Accrued payroll liabilities	(11,276)	(3,048)
Deferred revenue	(19,344)	19,344
Deferred rent	-	6,302
<b>Net cash from operating activities</b>	<b>(1,309,455)</b>	<b>(739,689)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(1,089)	(18,010)
Proceeds from sale of investments	1,422,123	10,641,169
Purchase of investments	(191,194)	(10,220,186)
<b>Net cash from investing activities</b>	<b>1,229,840</b>	<b>402,973</b>
<b>Net change in cash and cash equivalents</b>	<b>(79,615)</b>	<b>(336,716)</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>963,825</b>	<b>1,300,541</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 884,210</b>	<b>\$ 963,825</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

# *Housing Opportunities Made Equal of Virginia, Inc. and Affiliate*

## *Notes to Consolidated Financial Statements*

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**June 30, 2013 and 2012**

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### **1. Organization and Nature of Activities**

*Housing Opportunities Made Equal of Virginia, Inc.* (H.O.M.E.) is a Virginia not-for-profit organization that promotes equal opportunities in housing. Operations are conducted in Virginia and are supported primarily through governmental grants and private funds. H.O.M.E. formed a related organization (the Affiliate), *Virginia Equal Housing Foundation* (Foundation), to hold investments exclusively for the benefit of, to perform the functions of, or to carry out the purposes of H.O.M.E.

### **2. Summary of Significant Accounting Policies**

#### **Principles of Consolidation**

The consolidated financial statements include the accounts of *Housing Opportunities Made Equal of Virginia, Inc.* and *Virginia Equal Housing Foundation* (collectively, the Organization). The Foundation is consolidated since H.O.M.E. has both an economic interest in and control of the Foundation through a majority voting interest of its governing board. All significant intercompany transactions have been eliminated in the consolidation.

#### **Basis of Presentation**

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The financial statements report amounts separately by class of assets as follows:

**Unrestricted** amounts are those currently available at the discretion of the Organization's Board of Directors for use in the Organization's operations. At June 30, 2013 and 2012, board designated amounts of \$116,923 and \$100,000 were designated for HOME Consulting Services and fair housing initiatives, respectively.

**Temporarily restricted** amounts are those which are stipulated by donors for specific operating purposes. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. At June 30, 2013 and 2012, the restricted use of these amounts is based on grant contracts and agreements and an individual donation for HOME Consulting Services.

**Permanently restricted** amounts subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

The Organization has no permanently restricted net assets at June 30, 2013 and 2012.

#### **Cash Equivalents**

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

## **Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are stated at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the consolidated statement of activities.

## **Property and Equipment**

Property and equipment are recorded at cost. Major repairs and betterments are capitalized. Maintenance and repairs are charged to expense as incurred. The Organization has a capitalization policy to capitalize items costing \$1,000 or more. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the consolidated statement of activities. Depreciation is provided for using the straight-line method over the estimated useful lives as follows for the major classes of assets: furniture and equipment 3-7 years and leasehold improvements 5 years.

## **Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

## **Credit Risk**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investment securities, and accounts receivable. The Organization maintains its cash balances with high credit quality financial institutions. During 2013 and 2012, the Organization had cash and cash equivalents in a financial institution that may exceed the amount insured by agencies of the federal government. The Organization's ability to collect its receivables is dependent upon the financial condition of the debtors.

The Organization invests in various investment securities which are exposed to various risks, such as interest rate, credit, and overall volatility risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term would materially affect the investment balances and the amounts reported in the consolidated financial statements.

## **Allowance for Doubtful Accounts**

Receivables are carried at their estimated realizable value, net of an allowance for doubtful accounts. The allowance is based on management's estimate of the amount of receivables that will actually be collected. There was no allowance at June 30, 2013 and 2012.

## **Legal Settlement Revenue**

The Organization periodically files lawsuits as a result of violations of fair housing laws. The Organization recognizes legal settlements as revenue when they are received.

## Contributions

Unconditional contributions are recognized as revenues when donors' commitments are received. Conditional contributions are recognized as revenues when the conditions are substantially met. Unconditional contributions are recognized at fair value and are classified in the appropriate net asset class based on donor stipulations. All temporarily restricted contributions are initially recorded in the temporarily restricted net asset class and then reclassified to the unrestricted net asset class when restrictions are satisfied.

Contributions of assets other than cash are recorded at their estimated fair value at the time of donation.

## Income Taxes

The Organization is exempt from income tax under the Internal Revenue Code Section 501(c)(3) and the tax statutes of the Commonwealth of Virginia; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of June 30, 2013. Fiscal years ending on or after June 30, 2010 remain subject to examination by federal and state tax authorities.

## Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 3, 2013, the date the consolidated financial statements were available to be issued.

## Reclassifications

Certain amounts from the prior year's statements have been reclassified to conform to the current year's statement presentation.

### 3. Investments

Investments held by the Organization, are summarized as follows:

	June 30, 2013		
	Cost	Unrealized Gain	Fair Value
Exchange traded funds	\$ 3,075,209	\$ 818,023	\$ 3,893,232
Mutual funds	3,883,148	(86,283)	3,796,865
Marketable debt securities	225,695	16,922	242,617
	<u>\$ 7,184,052</u>	<u>\$ 748,662</u>	<u>\$ 7,932,714</u>
	June 30, 2012		
	Cost	Unrealized Gain	Fair Value
Mutual funds	\$ 7,360,851	\$ 388,098	\$ 7,748,949
Marketable equity securities	628,137	79,745	707,882
Marketable debt securities	233,083	28,477	261,560
	<u>\$ 8,222,071</u>	<u>\$ 496,320</u>	<u>\$ 8,718,391</u>

The following schedule summarized the investment return and its classification in the consolidated statement of activities at June 30 is summarized below:

	<b>2013</b>	<b>2012</b>
Interest income	\$ 9,472	\$ 46,652
Dividend income	234,441	208,072
Realized gains	192,910	606,684
Unrealized gains	252,342	(231,067)
Other investment income	36,157	17,778
Investment management expenses	(42,041)	(43,593)
<b>Total investment return</b>	<b>\$ 683,281</b>	<b>\$ 604,526</b>

#### 4. Fair Value Measurements

The Organization has adopted accounting standards which established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value.

*Mutual funds, exchange traded funds, equity & debt securities:* Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

There have been no changes in fair value measurement methods during 2013 and 2012.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value:

Fair Value as of June 30, 2013				
	Level 1	Level 2	Level 3	Total
Mutual funds				
Corporate and government bonds	\$ 3,796,865	\$ -	\$ -	\$ 3,796,865
Exchange traded funds				
Blended funds	2,108,760	-	-	2,108,760
Value funds	1,032,461	-	-	1,032,461
Growth funds	473,174	-	-	473,174
Emerging markets	260,970	-	-	260,970
Commodities	17,867	-	-	17,867
Debt securities				
Mortgage-backed securities	242,617	-	-	242,617
<b>Total</b>	<b>\$ 7,932,714</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,932,714</b>
Fair Value as of June 30, 2012				
	Level 1	Level 2	Level 3	Total
Mutual funds				
Corporate and government bonds	\$ 4,066,018	\$ -	\$ -	\$ 4,066,018
Domestic stocks	3,426,250	-	-	3,426,250
International stocks	256,681	-	-	256,681
Equity securities				
Domestic stocks	707,882	-	-	707,882
Debt securities				
Mortgage-backed securities	261,560	-	-	261,560
<b>Total</b>	<b>\$ 8,718,391</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,718,391</b>

## 5. Grants and Their Accounting Periods

Certain grants awarded to the Organization during its fiscal years ended June 30, 2013 and 2012 do not have accounting periods consistent with that of the Organization. The following is a list of the grants received and their accounting periods.

U.S. Department of Housing and Urban Development:	
Comprehensive Housing Counseling	September 30
Fair Housing Initiatives Program:	
Private Enforcement Initiative, Piedmont Housing Alliance	April 30
Private Enforcement Initiative, Richmond	June 30
Private Enforcement Initiative, Hampton Roads	December 31
Fair Housing Organization Initiative	December 31
City of Richmond:	
Community Development Block Grant for First-time Homebuyers	June 30
Housing Information and Counseling	June 30
HOME Keystone Program for First-time Homebuyers	June 30
Community Housing Empowerment Program:	
Neighborhoods in Bloom – Down Payment and Closing Cost Assistance	June 30
County of Chesterfield:	
Community Development Block Grant for Foreclosure Prevention	June 30
HOME Keystone Program for First-time Homebuyers	June 30
County of Henrico:	
Down Payment Assistance Program	September 30
Commonwealth of Virginia:	
State HOME Funds	December 31
Virginia Housing Development Authority:	
NeighborWorks America	December 31
National Community Reinvestment Coalition:	
NeighborWorks America	December 31
Urban Institute	May 30

During 2013 and 2012, approximately 54% and 62%, respectively, of support came from federal, state and local government sources. Any significant reduction in the level of this support would have a corresponding effect on the Organization's ability to maintain its current programs and services.

## 6. Property and Equipment

Property and equipment consist of the following:

	<b>2013</b>	<b>2012</b>
Furniture and equipment	\$ 176,063	\$ 174,974
Leasehold improvements	10,324	10,324
	186,387	185,298
Less - accumulated depreciation	(164,860)	(147,786)
	<u>\$ 21,527</u>	<u>\$ 37,512</u>

## 7. Commitments

The Organization has two operating leases for office space which expires on April 30, 2018. The Organization also leases certain equipment under non-cancelable operating leases. The minimum future rental payments are as follows for the year ending June 30:

2014	\$	185,866
2015		181,695
2016		183,089
2017		188,581
2018		<u>161,298</u>
	\$	<u>900,529</u>

Rent expense for the 2013 and 2012 was \$208,655 and \$200,181. The Organization received six months of free rent during 2011 and 2012 under the operating lease for the operating space. The value of the free rent is deferred and amortized on a straight line basis over the life of the lease. The total amount of the liability at June 30, 2013 and 2012 was \$55,629 and \$67,138, respectively. Accumulated amortization was \$30,245 and \$18,736.

## 8. Retirement Plan

The Organization offers a deferred contribution plan under Internal Revenue Code Section 403(b) to provide retirement benefits for its employees. Eligible employees must work at least 1,000 hours annually. During 2013 and 2012, the Organization used remaining forfeiture funds to cover the obligations under the retirement plan. The Organization made contributions to the plan in fiscal 2013 and 2012 of \$51,836 and \$47,218, respectively.

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*Supplementary Information*

*Housing Opportunities Made Equal of Virginia, Inc. and Affiliate*

*Consolidated Schedule of Functional Expenses*

**Year Ended June 30, 2013**

	Program Services				Total Program Services	Management and General	Fundraising	Total
	Housing Counseling & Education	Fair Housing	Housing Policy	H.O.M.E. Consulting Service				
Salaries/personnel	\$ 444,143	\$ 269,075	\$ 141,799	\$ 54,693	\$ 909,710	\$ 516,370	\$ 66,730	\$ 1,492,810
Direct client assistance	421,859	-	-	219	422,078	-	-	422,078
Fringe benefits	93,792	66,735	18,122	11,401	190,050	109,569	13,992	313,611
Occupancy	89,314	53,536	27,062	9,849	179,761	17,347	11,547	208,655
Professional and contract services	9,169	21,244	9,700	2,720	42,833	58,732	50,180	151,745
Training and professional activities	9,057	22,544	2,463	6,875	40,939	10,684	1,685	53,308
Miscellaneous	6,981	4,853	885	370	13,089	14,017	4,699	31,805
Telephone	-	450	1,800	-	2,250	24,660	300	27,210
Supplies and materials	3,385	2,822	247	366	6,820	16,081	3,523	26,424
Equipment rental and acquisitions	2,592	514	-	403	3,509	18,698	94	22,301
Depreciation	-	-	-	-	-	17,074	-	17,074
Printing	5,002	1,653	2,513	546	9,714	459	1,701	11,874
Liability insurance	-	-	-	-	-	9,543	-	9,543
Travel	607	3,139	316	430	4,492	1,630	392	6,514
Foundation expenses	-	-	-	-	-	4,188	-	4,188
Membership dues	-	1,039	50	-	1,089	2,573	515	4,177
Indirect costs	262,884	186,387	49,843	31,981	531,095	(567,347)	36,252	-
	<b>\$ 1,348,785</b>	<b>\$ 633,991</b>	<b>\$ 254,800</b>	<b>\$ 119,853</b>	<b>\$ 2,357,429</b>	<b>\$ 254,278</b>	<b>\$ 191,610</b>	<b>\$ 2,803,317</b>

*Housing Opportunities Made Equal of Virginia, Inc. and Affiliate*

*Consolidated Schedule of Functional Expenses*

**Year Ended June 30, 2012**

	Program Services			Total Program Services	Management and General	Fundraising	Total
	Housing Counseling & Education	Fair Housing	Housing Policy				
Salaries/personnel	\$ 461,237	\$ 282,686	\$ 137,210	\$ 881,133	\$ 454,279	\$ 75,537	\$ 1,410,949
Direct client assistance	781,153	-	-	781,153	-	-	781,153
Fringe benefits	101,272	70,620	19,636	191,528	100,981	16,379	308,888
Professional and contract services	10,482	54,237	13,049	77,768	116,614	7,958	202,340
Occupancy	88,591	52,844	24,495	165,930	20,390	13,861	200,181
Miscellaneous	6,044	14,454	1,210	21,708	23,040	77,941	122,689
Training and professional activities	6,880	19,238	3,966	30,084	3,166	3,312	36,562
Equipment rental and acquisitions	-	10,291	-	10,291	22,035	-	32,326
Supplies and materials	4,186	3,733	2,201	10,120	14,418	3,336	27,874
Telephone	-	917	1,800	2,717	22,538	900	26,155
Foundation expenses	-	-	-	-	23,591	-	23,591
Printing	5,988	1,743	11,483	19,214	(273)	710	19,651
Depreciation	-	-	-	-	16,863	-	16,863
Liability insurance	-	-	-	-	12,917	-	12,917
Membership dues	920	1,448	550	2,918	3,002	1,308	7,228
Travel	409	2,786	484	3,679	932	814	5,425
Indirect costs	237,490	165,611	46,047	449,148	(487,556)	38,408	-
	<b>\$ 1,704,652</b>	<b>\$ 680,608</b>	<b>\$ 262,131</b>	<b>\$ 2,647,391</b>	<b>\$ 346,937</b>	<b>\$ 240,464</b>	<b>\$ 3,234,792</b>