



Dear Friends of Heart & Hands of Indiana

St. Paul in his letter to the Hebrews wrote, "Faith is the Assurance of things hoped for (Chapter 11). A little over two years ago a group of people gathered to form Hearts & Hands of Indiana. Some may have called it foolish. Some might have said it was impossible. Some probably even said it wasn't practical. Here we are, more than two years after we took a leap of faith and invited others to do so as well, witnessing the fruits of leap.

These past years have been pretty amazing. The relationships that have formed and developed between many faith communities, the city of Indianapolis, many near west side organizations and our volunteers have made all of this possible. The growing good will among many people has allowed two families to become homeowners right here in Haughville.

For those who may question if we are for real, I refer to the Gospel of Matthew, Chapter 7 verses 24-26.

"Everyone who listens to these words of mine and acts on them will be like a wise man who built his house on rock. The rain fell, the floods came, and the winds blew and buffeted the house. But it did not collapse; it had been set solidly on rock. And everyone who listens to these words of mine but does not act on them will be like a fool who built his house on sand. The rain fell, the floods came, and the winds blew and buffeted the house. And it collapsed and was completely ruined." When Jesus finished these words, the crowds were astonished at his teaching, for he taught them as one having authority, and not as their scribes. (New American Bible)

Throughout these past two years we have seen our share of the rains of a struggling economy, the floods of a depressed housing market, and the winds of a more restrictive home mortgage market hit us. With each challenge we leaned on our faith and worked together to find our way. God, who is our foundation, truly guides and blesses us.

As you review our annual report I believe you will see many successes and blessings of this past year, including very successful fundraisers. I wish to thank our Board of Directors, our officers, and our volunteer office staff for your dedicated and tireless work for Hearts & Hands of Indiana. Thanks also to the many volunteers who helped with our home repair and fund raisers. Finally, a special thanks to our benefactors. Without your generosity this would not be possible.

We look forward to another year of community building and collaboration. I hope you will be a part of it.



God Bless You,

Fr. John McCaslin
Chairman of the Board

Rebuilding Haughville one family at a time.

337 North Warman Avenue • Indianapolis, IN 46222 • 317.631.2939 ext.231

www.heartsandhandsindy.com

Hearts & Hands: 2010: Learning and Building

2010 proved to be a formative year for the newly-established Hearts & Hands mission. Our first full year as a non-profit provider of low-cost, quality housing for families who might not otherwise achieve home ownership took us through the first steps in the eventual transformation of the neighborhood on the near-west side of Indianapolis.

There were lessons learned in several positive respects:

- The group learned to navigate the many potential avenues to success in locating and securing at acceptable cost foreclosed, abandoned properties in the neighborhood. At the same time, many dead-end paths were discovered and identified as such, meaning time lost early in the process but the wisdom to avoid those same false starts in the future. Significant achievements in this area included establishment of relationships with the city's Indy Land Bank, leading to a property purchase in early 2011, and with the Indianapolis Neighborhood Housing Partnership (INHP). Also, the year's groundbreaking work included participation in the city's property tax sale, resulting in still another property secured and to be completed in 2011.
- Productive relationships were developed with metro and neighboring non-profits, and the formation of a loose coalition of partners who are able to reach out to one another, to resolve neighborhood issues and take advantage of mutual opportunities. Those groups include the Westside Community Development Corporation, the Hawthorne Center, Catholic Charities and the aforementioned INHP.
- Outreach to the Hispanic community was facilitated by two Hearts & Hands Board members, resulting in the discovery of families interested in applying for participation in the qualification process, the first step on the road to home ownership.
- An organizational lesson learned was the recognition of the critical need for tighter control and management of the home rehabilitation process; consequently, the position of Volunteer Coordinator was created, a much-needed agent for successful and timely property conversion.
- Looking to the future, the initial phase of a succession plan was developed, resulting in the carry-over of several founding officers but also paving the way for eventual new leadership, including one new officer, Treasurer John Keller, elected in 2010.
- A complete list of 2010 milestones is found on the following page.

"I was drawn by the unrelenting passion and dedication of the Board of Directors of Hearts & Hands. They were doing God's work and I wanted in on it. It's a **good feeling being a part of something real**...something tangible...something that is truly, visibly bringing a renewed spirit to a community."

-Peggy Magee

Hearts & Hands: 2010 Milestones

- Completed the rehabilitation of first house at 2826 West St. Clair St.
- Provided our first family with a home to begin their homeownership dream
- Repaid \$25,000 start-up loan to Board member
- Commenced our first post-purchase mentoring initiative
- Purchased and renovated our second house at 932 N. King Avenue
- Purchased three parcels at 2709 West St. Clair St.
- Celebrated rehab completions with two well-attended open houses
- Recruited ten new applicant families for home ownership
- Generated just under \$90,000 in development funding, including 100% Board participation, a \$15,000 grant from the Catholic Campaign for Human Development, an individual donation of \$5,000, two events totaling \$34,000 and the blessings of a lady who faithfully donates \$25 each month
- Accepted by Indianapolis Land Bank for purchase of abandoned houses, including first house from this source, 920 North King Avenue
- Delivered checks for two parcels at 770 North Holmes Ave. to the Marion County Treasurer's Office
- Participated in Marion County fall tax sale and purchased 914 N. Holmes Avenue
- Had favorable columns and articles published in The Indianapolis Star, the Criterion, La Voz De Indiana, The St. Barnabas Journey and Cathedral High School Alumni News
- Highlighted by Archbishop Daniel M. Buechlein in his annual Miter Society regional meetings as an example of Catholic Charities "in action"
- Presented our message to St. Simon's Men and Women's organizations, Cathedral High School student body, Knights of Columbus Holy Family Council membership and participated in St. Barnabas' "A Different Kind of Giving"
- Created a video that witnesses the mission of Hearts & Hands
- Endorsed by Marilyn Pfisterer, Vice President, Indianapolis City Council, as an organization she supports and encourages others to model
- Expanded volunteer base by 50% by reaching out to stewards from a variety of neighborhoods, churches and organizations throughout Marion County and the surrounding area
- Translated annual report, brochure and marketing material into Spanish and posted on website, www.heartsandhandsindy.com, and installed a Spanish voice mail system
- Created and distributed 2009 Annual Report to Hearts & Hands donors, friends, partners and volunteer base
- Entered into partnerships with Catholic Charities, Westside Community Development Corporation, Indianapolis Neighborhood Housing Partnership and Hawthorne Center
- Received trademark certification for Hearts & Hands logo
- Opened conversation with leadership of St. Gabriel Catholic Church to expand the Hearts & Hands model to their neighborhood
- Continued with the development of a "business model" business plan.
- Relocated and enhanced Hearts & Hands office facilities in the Providence Center of St. Anthony parish

teamwork



faith



homeownership



media buzz



Twenty Something



Hearts & Hands: Mission Review

Provide affordable long-term home ownership in the Holy Trinity and St. Anthony parishes of the Haughville community for low income families, by educating and mentoring the selected families and by rehabilitating homes.

Hearts & Hands began with what seemed a chance meeting of two friends and two hopes. In February of 2009 Father John McCaslin, pastor at the two Indianapolis parishes of Holy Trinity and St. Anthony, had a discussion with Tom Egold, who, with a group of friends from the 1961 class of Sacred Heart High School (SHC) had re-formed bonds through monthly luncheon meetings. The SHC group had been discussing the many blessings in their lives, particularly their formative Catholic educations, and had decided to place on their March agenda ideas that might enable them to give back in return for those blessings.

At the same time, Father John had conceived a vision for the positive growth of the near-west-side, his parishes, by rebuilding the neighborhood, one house and one family at a time. By gaining access to some of the many abandoned and foreclosed properties in the neighborhood, and by repairing them with a volunteer workforce, Father's vision was to begin to eliminate the blight overtaking the area. The gratifying upside would be the availability of like-new housing and potential home ownership at below-market value to families who, for various reasons, had been shut out of home ownership and its many advantages.

After Father John spoke so forcefully at the SHC group's March meeting, the process leading to the formation of the not-for-profit Hearts & Hands, Inc. began and moved forward rapidly: An organizational meeting in April; formal incorporation

by June. Goals and committees to achieve them quickly followed, including the selection and purchase of distressed, abandoned houses; rehabilitation of these properties largely through the use of volunteer labor; recruitment, education and mentoring of limited-income families who might otherwise never experience home ownership; securing mortgages and selling at below-market value to those families.

Elsewhere in this report are listed the many achievements and graces experienced as a product of the "chance" meeting mentioned above. There are those who believe, however, that the "chance" was, in fact, providential, given the benefits which have arisen, not the least of which have been the sheer joy and grace of so many gifted volunteers working closely with old friends and new-found friends, forming relationships that will last a lifetime.

Though a first-year pay-off wasn't necessary to sustain the spirit of those involved, one was delivered to the group on the occasion in May of the Open House celebrating the completion of the rehabilitation of the first house, now a home. That highlight was the reaction of the seven-year-old son of our first new homeowner as he ran through the house, viewing the finished product for the first time. "This is my house, this is my house, come look at my bedroom." That scene alone was enough to compensate for the countless volunteer hours that went into the realization of a dream for this first Hearts & Hands family.



Hearts & Hands: 2010 Financial Report

2010 proved to be an important step forward in terms of funding the development effort necessary to reach the year's goals and to provide for the ongoing growth of the Hearts & Hands mission. With a fund-raising projection and goal of \$100,000, the corporation was able to achieve 87.7% of that objective, \$87,650, despite the continued downturn in the economy. A depressed economy not only affects the ability of charitable people to donate at levels they would like, but because so many more families and individuals are negatively affected, it also greatly expands the needs of the entire social services network. One simple gauge is the increase in requests for help from that social services network that we all experience.

Your generosity enabled the completion of the rehabilitation of our first two houses, the outfitting of those homes, the purchase of three additional properties and the funding necessary to lay claim to another, enabling the continued establishment of our mission in the community. As detailed elsewhere in this report, funding was generated from a variety of sources, including Board member contributions, fund-raising events, grants and the generosity of our 105 individual contributors.

As forecasted, operating expenses increased during the year at the level anticipated. A review of the Revenue and Expense Statement reveals that 86% of those well-controlled expenses were related to the necessary purchase of new computer equipment, printing and copying of materials for use in marketing and development and supplies for the office and the open houses. Once again, the Board is proud of the continued stewardship of the funding provided by our supporters.

The largest single asset reflected in the Statement of Financial Position is the completed home at 932 N. King Avenue. The most likely candidate for the purchase of this property has moved through the mortgage process with the assistance of the Indianapolis Neighborhood Housing Partnership, volunteer Ray Stuck of HomeXpert Realtors and the Hearts & Hands Family Selection/Mentoring Committee. Closing occurred late first quarter, 2011.

Procedures related to fiduciary responsibilities continue to adhere to sound internal controls and are led by the corporation's recently-elected Treasurer, John Keller, CPA. John assumes his new title after serving in a similar capacity during fiscal 2009. Paul Corsaro of Bingham McCale, formerly Treasurer, remains as a Board member and retains his duties as consulting legal counsel.

"Hearts & Hands is based on a vision of a neighborhood renewed. Where there are derelict or empty houses--families. Where there are boarded windows--light. While this renewal was only vision at first, because it was also faith, **the vision grows one house at a time.** And as each family and house are realized the faith in the vision has drawn more and more resources and people toward its completion." -Mike Carson

Hearts & Hands:

Statement of Financial Position

As of December 31, 2010

	Dec 31, 10	Dec 31, 09
ASSETS		
Current Assets		
Checking/Savings		
KeyBank	39,815.90	30,649.83
Total Checking/Savings	39,815.90	30,649.83
Accounts Receivable		
Pledges Receivable	750.00	1,000.00
Total Accounts Receivable	750.00	1,000.00
Other Current Assets		
Receivable from Archdiocese	1,440.00	1,275.00
Undeposited Funds	400.00	325.00
Total Other Current Assets	1,840.00	1,600.00
Total Current Assets	42,405.90	33,249.83
Other Assets		
Houses Held for Sale		
2709 W. St. Clair	1,520.00	400.00
2826 W. St. Clair	0.00	28,477.70
914 N. Holmes Ave.	5,125.00	0.00
932 King Avenue	59,456.69	0.00
Total Houses Held for Sale	66,101.69	28,877.70
Total Other Assets	66,101.69	28,877.70
TOTAL ASSETS	108,507.59	62,127.53
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	0.00	2,068.68
Total Accounts Payable	0.00	2,068.68
Other Current Liabilities		
Note Payable	0.00	25,000.00
Total Other Current Liabilities	0.00	25,000.00
Total Current Liabilities	0.00	27,068.68
Total Liabilities	0.00	27,068.68
Equity		
Unrestricted Net Assets	35,058.85	0.00
Net Income	73,448.74	35,058.85
Total Equity	108,507.59	35,058.85
TOTAL LIABILITIES & EQUITY	108,507.59	62,127.53

Hearts & Hands:

Statement of Financial Revenue and Expenses

January through December 2010

	Jan - Dec 10	Jan - Dec 09
Ordinary Income/Expense		
Income		
Direct Public Support		
Gifts in Kind - Goods and Exp	1,020.57	156.40
Individual Contributions	32,619.38	19,965.68
Non-Individual Contributions	20,100.00	16,100.00
Returned Contributions	-100.00	0.00
Total Direct Public Support	53,639.95	36,222.08
Other Types of Income		
Miscellaneous Revenue	90.00	0.00
Total Other Types of Income	90.00	0.00
Special Events Revenue		
Raffle Event Income	33,920.42	0.00
Total Special Events Revenue	33,920.42	0.00
Total Income	87,650.37	36,222.08
Expense		
Charitable Contributions	4,050.00	0.00
Contract Services		
Legal Fees	455.00	0.00
Total Contract Services	455.00	0.00
Marketing & Promotions	590.42	0.00
Operations		
Bank Fees	181.52	0.00
Books, Subscriptions, Reference	125.00	0.00
Business Meals	207.32	40.00
Business Registration Fees	0.00	90.00
Computer Expense	1,377.65	0.00
Postage, Mailing Service	389.94	0.00
Printing and Copying	2,374.62	597.40
Supplies	1,654.17	128.89
Telephone, Telecommunications	0.00	100.00
Website Expense	0.00	206.94
Total Operations	6,310.22	1,163.23
Special Events Expense		
Raffle Expenses	1,362.18	0.00
Total Special Events Expense	1,362.18	0.00
Total Expense	12,767.82	1,163.23
Net Ordinary Income	74,882.55	35,058.85
Other Income/Expense		
Other Income		
Gain (Loss) From Sale of Houses		
2826 St. Clair	-1,433.81	0.00
Total Gain (Loss) From Sale of Houses	-1,433.81	0.00
Total Other Income	-1,433.81	0.00
Net Other Income	-1,433.81	0.00
Net Income	73,448.74	35,058.85

Hearts & Hands: The Impact of Giving

Hearts & Hands is very much a volunteer-driven organization. And although most of the administrative and rehabilitation work is performed by numerous volunteers, certain costs associated with this mission require funding, usually cash. Included in that category are:

Purchase of the abandoned house, in some cases including associated costs such as taxes and liens.

Rehabilitation of the house, including outside purchases of major items such as a replacement heating and cooling system, structural modification, installation of new windows, new roof, flooring, and appliances. In a vibrant economy, it can be anticipated that many of these items will be donated or purchased at a discount. But in today's economy there is little likelihood of gifting, leaving the non-profit to absorb those costs.

Cash flow, including the need to outlay cash for the next houses and to begin work on them while significant costs of the work-in-progress house are being borne prior to its sale. Also, cash flow is often impeded because of delays between rehab completion and sale closing.

Start up and occasional administrative costs. Although all the work performed by the admin team is voluntary, there are start-up and ongoing costs related to electronic communication equipment and supplies. A new computer system was purchased in 2010, for instance.

Marketing and fund-raising. While some printing, direct mail, literature design, business cards, promotional videos and presentations have been donated, there is still a sizeable gap between donated services and material and that which we must purchase.

With maturation, experience, and ongoing review, the gap between donated and purchased services and materials will certainly diminish; but as a start-up, the costs are significant. Our individual donations have ranged from \$25 to \$5,000; please be assured that any donation, in whatever form, will be put to good use by a team of experienced, dedicated professionals.

Board Members & Committees Chairs



David Bethuram, Carlos Carpizo, Chair Family Selection, **Mike Carson (Secretary)**, **Paul Corsaro (Director Legal Affairs)**, Greg Daeger, **Tom Egold (President)**, Matt Fox, Mike Gorman, Ed Holloran, Terri Kashman, **John Keller (Treasurer)**, Jim Kirschner, Jessica Largent, **Fr. John McCaslin (Chairman)**, Steve Rasmussen (Chair Site Selection & Rehabilitation), Lanny Rossman, Carol Seimetz, **Jim Simmons (Vice President)**, Tom Stader, Leo Tamez, Phyllis Usher
Ex-Officio Members: Bill Bickel and Ed Johnson **Office Management:** Peggy Magee and Jessie Featherstone

Hearts & Hands:

Donor Contribution List

2010 Donor List

Abel, Dorothy
Allen, Brian and Mary
Anonymous
Beck, Art and Pinkie
Bethuram, David
Blazic, John G.
Broughton, Ron and Kathy
Brown, Tom and Martha
Burke, Mike and Micheline
Carpizo, Carlos and Adriana
Carr, Craig and Helen
Carroll, Phil and Linda
Carson, Mike and Maggie
Catholic Campaign for Human
Development
Cleary, Joe and Loretta
Corsaro, Danny and Karen
Corsaro, Maggie
Corsaro, Paul and Francie
Crosley, Sherman and Kathleen
Cunningham, Dan
Daeger, Greg and Julie
Dinkel, Kimberly
Donnell, Jeff and Melissa
Doxsee, Ron and Carolyn
Eble, Dominic and Holly
Egold, Tim and Clara
Egold, Tom and Becka
Egold, Tom and Sara
Elias, Jim and Carol
Fagan, Daniel and Mary Ann
Farrell, Kevin and Beverly
Ferree, George and Helen
Field, Michael and Darcey
Fox, Matt and Natalie
Frische, Jim and Dorcas
Gamma Nu, Tau Chapter
Gantner, Fritz and Cheryl
Gantner, Keith and Julie
Gardner, Charlie and Dianne
Gaughan, Fairy

Gaughan, Martina
Gorman, Mike and Connie
Goss, Mike and Vicki
Grayson, Tom and Susan
Gregg, John
Hahn, Tim and Linda
Haigerty, Nancy
Harpenau, Ted and Carol
Harty, Denise
Heath, Stephanie
Heisig, Wayne and Mary
Hobbs, Samuel
Hoereth, Bob and Della
Holloran, Ed and Leslie
Huffman, Earl and Carol
Hulefeld, Ed and Karen
Indianapolis Power & Light
Company
Jackson, Mary
Jockish Flowers, Inc.
Johnson, Ed and Carol
Kashman, Tom and Terri
Kashman, Bill and Carolyn
Keller, John
Keybank Foundation
Kirschner, Jim and Sue
Knartzer, Ferda
Knartzer, Jim
Largent, Jessica
Lawrie, Doug and Karen
Linehan, Robert
"Lunch Bunch" – Fairy Gaughan
Magee, Peggy
McCaslin, Father John
Mervar, Joe and Jennie
Milano, Tony and Sara
Miller, Joe and Joan Amati
Miller, John and Lorraine
Morrison, Jim
Natzke, Amy
Neky, Joe

Oddi, Tony and Karen
Pfisterer, Clyde and Marilyn
Plews, George and Christine
Price, Jack and Bernie
Rasmussen, Steve and Nancy
Richardson David and Ann
Riley, Ray and Barbara
Rossman, Lanny and Paula
Schneider, John and Marilyn
Schopper, Kathleen
Seimetz, Carol
Simmons, Anna Maria
Simmons, Jim and Linda
Simmons, Mark and Alethea
Spiegleman, John and Jill
Sponsel, Dorothy
St. Barnabas Catholic Church
Stader, Tom and Barb
Strohmeier, Bob and Jenny
Tamez, Leo and Dianne
Usher, Phyllis
Wacker, Tom and Penny
Walsh, Susan
Wirtz, John and Judy
Wolsiffer, Steve and Jane



Hearts & Hands: Donation Methods

Donations are the lifeblood of the Hearts & Hands effort; and individual donations, in particular, have been fundamental to the launch and success of our mission to date. There are a total of seven methods of supporting the continued growth of our non-profit organization:

Checks: The simplest form of giving, they can be sent to our Warman Avenue office.

Credit Cards: Simply access the website at www.heartsandhandsindy.com.

Securities: Gifts of stock can also be sent to the Warman Avenue office, but can be discussed by contacting John Keller at 317/260-4411.

Real Estate: These gifts can include donations of property in the targeted Haughville neighborhood or any other property. Again, contact should be made with John Keller.

Matching Gifts: Many businesses, big and small alike, offer to contribute matching funds when an employee donates to organizations like Hearts & Hands. This is an effective tool which has already benefited our non-profit. Find out if your firm has such a program, and Hearts & Hands can file the necessary paperwork to qualify. Also, some firms make donations to non-profits simply because of their employee's involvement in a charity.

Gifts-in-Kind: Typically these donations consist of material or equipment. Because of the nature of our work, critical need for both commodities is very real. Contact the Warman Avenue office for details.

Deferred Gifts: These donations can include bequests through a will or trust, life insurance, life-income arrangements, retained real estate in a property or retirement plan contributions.

These and other donation methods and questions can be promptly addressed by contacting John Keller. Our objectives are to simplify the process, to recognize your generosity if you so desire, and to keep you informed on the impact of your giving.



"Hearts and Hands epitomizes the term giving spirit on many levels....it gives vitality to urban streets, it gives hope and stability to one family at a time and finally, it gives its workers a sacred bond as they focus on doing what they can do to help others." -Phyllis Usher

"When Catrina (Hearts & Hands first homeowner) moved into the house, it was very emotional, the fulfillment of a dream," recalled Egold, the group's president. "There were people who told us it couldn't be done, that we were crazy. Well, that may be true. But we did it. And we're going to keep trying to make a difference in people's lives."

-The Criterion

"As each one has received a gift, use it to serve one another as good stewards of God's varied grace."
1Peter 4:10



Hearts & Hands
OF INDIANA

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