

HOPE HOUSE OF MILWAUKEE, INCORPORATED
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

HOPE HOUSE OF MILWAUKEE, INCORPORATED

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Independent Auditor's Report

Board of Directors
Hope House of Milwaukee, Incorporated

We have audited the accompanying balance sheets of Hope House of Milwaukee, Incorporated as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Hope House of Milwaukee, Incorporated's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hope House of Milwaukee, Incorporated as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2012, on our consideration of Hope House of Milwaukee, Incorporated's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Hope House of Milwaukee, Incorporated taken as a whole. The accompanying schedules of unrestricted functional revenue and expenses, program revenue and expenses and the schedule of expenditures of federal and state awards required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and in accordance with applicable State of Wisconsin audit guides, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
April 24, 2012

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HOPE HOUSE OF MILWAUKEE, INCORPORATED
BALANCE SHEETS
DECEMBER 31, 2011 AND 2010

ASSETS	2011	2010
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 366,898	\$ 404,430
Accounts Receivable	46,175	48,470
Grants Receivable	212,306	211,871
Investments	100,000	---
Inventory	17,647	15,031
Prepaid Expenses	6,406	9,611
Total Current Assets	<u>\$ 749,432</u>	<u>\$ 689,413</u>
FIXED ASSETS		
Land	\$ 40,000	\$ 40,000
Building and Improvements	2,223,383	2,219,483
Furniture and Equipment	375,745	333,412
Less: Accumulated Depreciation	(1,656,526)	(1,549,006)
Total Fixed Assets	<u>\$ 982,602</u>	<u>\$ 1,043,889</u>
OTHER ASSETS		
Cash - Protective Payee Accounts	\$ 63,502	\$ 59,648
WHEDA Replacement Reserve	---	13,213
Total Other Assets	<u>\$ 63,502</u>	<u>\$ 72,861</u>
TOTAL ASSETS	<u>\$ 1,795,536</u>	<u>\$ 1,806,163</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 21,956	\$ 27,352
Accrued Payroll	55,365	52,555
Accrued Vacation	12,442	10,598
Current Portion of Long-Term Liabilities	5,289	10,000
Total Current Liabilities	<u>\$ 95,052</u>	<u>\$ 100,505</u>
LONG-TERM LIABILITIES		
Mortgage Payable	\$ ---	\$ 34,400
Less: Current Portion of Mortgage payable	---	(10,000)
Capital Leases	25,616	---
Less: Current Portion of Capital Leases	(5,289)	---
Total Long-Term Liabilities	<u>\$ 20,327</u>	<u>\$ 24,400</u>
OTHER LIABILITIES		
Protective Payee Liability	\$ 63,502	\$ 59,648
Total Other Liabilities	<u>\$ 63,502</u>	<u>\$ 59,648</u>
Total Liabilities	<u>\$ 178,881</u>	<u>\$ 184,553</u>
NET ASSETS		
Unrestricted	\$ 1,599,534	\$ 1,594,171
Temporarily Restricted	17,121	27,439
Total Net Assets	<u>\$ 1,616,655</u>	<u>\$ 1,621,610</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,795,536</u>	<u>\$ 1,806,163</u>

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

HOPE HOUSE OF MILWAUKEE, INCORPORATED
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE						
Department of Housing and Urban Development						
Supportive Housing Program	\$ 584,741	\$ ---	\$ 584,741	\$ 582,193	\$ ---	\$ 582,193
Homeless Management Information System	67,160	---	67,160	48,384	---	48,384
Homeless Management Information System Expansion	---	---	---	11,231	---	11,231
Supportive Services - Single Room Occupancy Program	31,423	---	31,423	31,482	---	31,482
City of Milwaukee						
Shelter Grant	96,520	---	96,520	106,327	---	106,327
Community Organizer	44,563	---	44,563	46,901	---	46,901
HPRP Families	72,673	---	72,673	69,892	---	69,892
Youth Program	27,233	---	27,233	28,986	---	28,986
Emergency Shelter Grant	86,971	---	86,971	87,068	---	87,068
Health Care for the Homeless						
State Shelter	21,664	---	21,664	25,664	---	25,664
Angel of Hope Clinic	10,000	---	10,000	10,000	---	10,000
Department of Public Instruction	23,979	---	23,979	28,227	---	28,227
Mercy Housing	141,534	---	141,534	80,245	---	80,245
Milwaukee County -						
Department of Health Services						
Adult Service	20,482	---	20,482	20,482	---	20,482
Community Advocates						
Protective Payee	96,826	---	96,826	90,913	---	90,913
Emergency Shelter Grant	28,945	---	28,945	40,359	---	40,359
Emergency Food and Shelter	21,174	---	21,174	31,484	---	31,484
Brighter Futures	71,436	---	71,436	73,078	---	73,078
Wisconsin Housing and Economic Development Authority	---	---	---	5,000	---	5,000
Other Governmental Grants	13,447	---	13,447	14,073	---	14,073
Community Shares	14,869	---	14,869	15,320	---	15,320
Contributions	393,252	17,121	410,373	354,104	27,439	381,543
Interest Income	109	---	109	280	---	280
Donated Goods and Services	360,025	---	360,025	415,134	---	415,134
Other Income	282	---	282	867	---	867
Loss on Disposal of Fixed Assets	---	---	---	(7,480)	---	(7,480)
Net Assets Released From Restrictions	27,439	(27,439)	---	32,500	(32,500)	---
Total Revenue	<u>\$ 2,256,747</u>	<u>\$ (10,318)</u>	<u>\$ 2,246,429</u>	<u>\$ 2,242,714</u>	<u>\$ (5,061)</u>	<u>\$ 2,237,653</u>
EXPENSES						
Program Services	\$ 1,994,890	\$ ---	\$ 1,994,890	\$ 1,962,603	\$ ---	\$ 1,962,603
Management and General	203,857	---	203,857	202,287	---	202,287
Fund-Raising	52,637	---	52,637	55,761	---	55,761
Total Expenses	<u>\$ 2,251,384</u>	<u>\$ ---</u>	<u>\$ 2,251,384</u>	<u>\$ 2,220,651</u>	<u>\$ ---</u>	<u>\$ 2,220,651</u>
CHANGE IN NET ASSETS	\$ 5,363	\$ (10,318)	\$ (4,955)	\$ 22,063	\$ (5,061)	\$ 17,002
Net Assets, Beginning of Year	1,594,171	27,439	1,621,610	1,572,108	32,500	1,604,608
NET ASSETS, END OF YEAR	<u>\$ 1,599,534</u>	<u>\$ 17,121</u>	<u>\$ 1,616,655</u>	<u>\$ 1,594,171</u>	<u>\$ 27,439</u>	<u>\$ 1,621,610</u>

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

HOPE HOUSE OF MILWAUKEE, INCORPORATED
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (4,955)	\$ 17,002
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	107,520	101,041
Loss on Disposal of Fixed Assets	---	7,480
Decrease in Accounts Receivable	2,295	17,440
Increase in Grants Receivable	(435)	(74,375)
(Increase) Decrease in Inventory	(2,616)	2,889
(Increase) Decrease in Prepaid Expenses	3,205	(5,374)
(Increase) Decrease in Other Assets	13,213	(3,529)
Increase (Decrease) in Accounts Payable	(5,396)	377
Increase in Accrued Payroll	2,810	8,791
Increase (Decrease) in Accrued Vacation	1,844	(246)
	<u>\$ 117,485</u>	<u>\$ 71,496</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	\$ (17,017)	\$ (46,166)
Purchase of CD Investment	<u>(100,000)</u>	<u>---</u>
	<u>\$ (117,017)</u>	<u>\$ (46,166)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Mortgage	\$ (34,400)	\$ (10,000)
Payments on Capital Lease	<u>(3,600)</u>	<u>---</u>
	<u>\$ (38,000)</u>	<u>\$ (10,000)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	\$ (37,532)	\$ 15,330
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>404,430</u>	<u>389,100</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 366,898</u>	<u>\$ 404,430</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 2,162	\$ 2,176

Capital lease obligations of \$21,106 and \$8,110 were incurred when the Organization entered into new leases for new phone and copier equipment in 2011.

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

HOPE HOUSE OF MILWAUKEE, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

HOPE HOUSE OF MILWAUKEE, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE A - Summary of Significant Accounting Policies

Organization

Hope House of Milwaukee, Incorporated (the "Organization") is a not-for-profit corporation organized under the laws of the State of Wisconsin. The mission of the Organization is to end homelessness and create healthy communities within the city of Milwaukee.

Financial Statement Presentation

The Organization follows accounting standards contained in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) for nongovernmental entities.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

The Organization currently services protective payee accounts. Included in the protective payee accounts is cash, which is required to be held in a separate bank account. Restricted cash as of December 31, 2011 and 2010 was \$63,502 and \$59,648, respectively.

Fixed Assets

Fixed Assets are recorded at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of buildings (27 years), improvements (5 to 27 years) and furniture and equipment (3 to 10 years). Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. The Organization capitalizes all fixed assets greater than \$1,500.

Accounts Receivable

Accounts and grants receivable are considered fully collectible; therefore, no allowance for doubtful accounts is considered necessary. It is the policy of the Organization to write off doubtful amounts directly to expense when deemed uncollectible.

Inventory

Donated product inventory is computed using the average wholesale value of one pound of product and the number of cases of formula as reported by a local food pantry.

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. Assets of the restricted classes are created only by donor-imposed restrictions.

HOPE HOUSE OF MILWAUKEE, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE A - Summary of Significant Accounting Policies (continued)

Contributions

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

Contract Services

Contract Services revenue represents grants and contracts with various funding sources. Revenue is recognized on cost reimbursement contracts in the accounting period when the expenses are incurred. Revenue is recognized on performance contracts in the accounting period based on the accomplishment of contract objectives without regard for expenditures. Grants and contracts received by the various funding sources remain subject to audit for all years not closed by grantors. In the opinion of management, no provision is needed for any adjustments that may result from such audits.

Contributions of Volunteer Services and Personal Property

The accompanying financial statements reflect the value of individuals providing the Organization with certain specialized skills (i.e. doctor or teacher). Contributed volunteer services are recorded based upon the actual number of hours provided at the volunteer's prevailing hourly rates. Other unpaid volunteers provide services to the Organization, but these services do not meet the criteria for recognition as contributed services and, therefore, are not reflected in the accompanying financial statements.

Donations of personal property are recorded as contributions based upon estimated fair market value. Personal property includes items such as equipment, food and clothing.

The accompanying financial statements include volunteer services and personal property as donated goods and services and amounted to \$360,025 and \$415,134 for the years ended December 31, 2011 and 2010, respectively. Included in this amount is \$17,647 and \$15,031, which is reflected as inventory on the financial statements as of December 31, 2011 and 2010, respectively. All donations, including those classified as general and administrative, are passed through to clients.

Allocation of Functional Expenses

Functional expenses are allocated to each program based on direct expenditures incurred. Any expenditure not directly chargeable is allocated to the programs based on the (1) appropriate level of employee full-time equivalents worked within that program or (2) square footage available to the applicable program.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

HOPE HOUSE OF MILWAUKEE, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE A - Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - Grants Receivable

Grants Receivable consists of the following as of December 31:

<u>Source</u>	<u>2011</u>	<u>2010</u>
U.S. Department of Housing and Urban Development	\$ 89,122	\$ 87,928
City of Milwaukee	38,368	44,125
Health Care for the Homeless	4,247	729
Department of Public Instruction	3,526	5,295
Mercy Housing	3,695	39,032
Community Advocates	66,395	34,286
Department of Health and Human Services	3,414	---
Other Government	<u>3,539</u>	<u>476</u>
Total	<u>\$212,306</u>	<u>\$211,871</u>

NOTE C - Mortgage Payable

The Organization paid off the remaining mortgage payable with the Wisconsin Health and Education Development Authority (WHEDA) with \$11,061 cash and the required reserve balance of \$13,575 in February of 2011.

NOTE D - Temporarily Restricted Net Assets

At December 31, 2011 and 2010, the Organization had temporarily restricted net assets that were available for the following purposes:

	<u>2011</u>	<u>2010</u>
Protective Payee	\$ 10,000	\$ ---
Shining Star	---	12,000
Food Pantry	7,121	3,955
Mercy Housing	<u>---</u>	<u>11,484</u>
Total	<u>\$ 17,121</u>	<u>\$ 27,439</u>

HOPE HOUSE OF MILWAUKEE, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE E - Concentration of Risk

The Organization received grants from various agencies whose programs rely on the availability of funding from the United States government. For the years ended December 31, 2011 and 2010, approximately 66% and 64%, respectively, of the Organization's revenue was from sources which relied on revenue from the United States government.

NOTE F - Operating Leases

The Organization leases certain office equipment under terms of non-cancelable operating leases ending at various times. Rent expense for the office equipment was \$10,322 and \$12,150 for the years ended December 31, 2011 and 2010, respectively.

The following is a schedule, by years, of the future minimum payments required under the leases as of December 31, 2011:

<u>Year</u>	<u>Amount</u>
2012	\$ 7,882
2013	2,755
2014	1,739
2015	1,231
2016	<u>615</u>
Total	<u>\$ 14,222</u>

NOTE G - Capital Lease - Phone System

During 2011, the Organization entered into a capital lease obligation for a phone system. The cost of \$21,106 is included in fixed assets. Total accumulated depreciation was \$3,518 at December 31, 2011. Amortization of the capital lease is included in depreciation expense for the year ended December 31, 2011.

Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 3,719
2013	4,110
2014	4,543
2015	5,020
2016	<u>887</u>
Total	<u>\$18,279</u>

HOPE HOUSE OF MILWAUKEE, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE H - Capital Lease - Copier

During 2011, the Organization entered into a capital lease obligation for a copier. The Fair Market Value of the copier of \$8,110 is included in fixed assets. Total accumulated depreciation was \$811 at December 31, 2011. Amortization of the capital lease is included in depreciation expense for the year ended December 31, 2011.

Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 1,570
2013	1,604
2014	1,639
2015	1,674
2016	<u>850</u>
Total	<u>\$ 7,337</u>

NOTE I - Retirement Plan

The Organization made a discretionary payment of the lesser of three percent of an employee's gross wages or the employee's annual contribution to the plan. Employer contributions to the plan during the year ended December 31, 2011 and 2010, were \$18,602 and \$14,387, respectively.

NOTE J - Fair Value Measurements

The Organization has adopted the Financial Accounting Standards Board guidance on fair value measurements. A three-tier hierarchy is used to maximize the use of observable market data inputs and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using level 3 inputs are based primarily on valuation models with significant unobservable pricing inputs and which result in the use of management estimates.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2010:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market Funds - 2010	\$ 310,502	\$ 310,502	\$ ---	\$ ---

The money market funds are included in cash and cash equivalents on the financial statements. The net investment income consisted entirely of interest income. Interest income was \$280 in 2010.

HOPE HOUSE OF MILWAUKEE, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE K - Line of Credit

The Organization has a \$100,000 line of credit which matures November 15, 2012. Amounts borrowed under this agreement bear interest at the prime rate plus 2.75%, but not less than 5.0%. The line of credit is secured by the Organization's investments. As of December 31, 2011, none of the line of credit was drawn on.

NOTE L - Line of Credit

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Management has reviewed all tax positions recognized in previously filed tax returns and those expected to be taken in future tax returns. As of December 31, 2011, the Organization had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. The Organization does not anticipate any significant changes to unrecognized income tax benefits over the next year.

NOTE M - Subsequent Events

The Organization has evaluated events and transactions occurring after December 31, 2011 through April 24, 2012, the date the financial statements are available to be issued, for possible adjustments to the financial statements or disclosures. The Organization has determined that no subsequent events need to be disclosed.

HOPE HOUSE OF MILWAUKEE, INCORPORATED
SCHEDULE OF UNRESTRICTED FUNCTIONAL REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Chrysalis- Transitional	HMIS	Threshold - Emergency	SRO	US Food Pantry	Angel of Hope Clinic	Shining Star	Path to Progress	Community Outreach	Protective Payee	Mercy Housing	Rapid Re-Housing	Management and General	Fund- Raising	Total
REVENUES															
Department of Housing and Urban Development	\$ 584,356	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 365	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 584,741
Supportive Housing Program	--	67,160	--	--	--	--	--	--	--	--	--	--	--	--	67,160
Homeless Management Information System	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Homeless Management Information System Expansion	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Supportive Services - Single Room Occupancy Program	--	--	--	31,423	--	--	--	--	--	--	--	--	--	--	31,423
City of Milwaukee															
Shelter Grant	76,410	--	20,110	--	--	--	--	--	44,563	--	--	--	--	--	96,520
Community Organizer	--	--	--	--	--	--	--	--	--	--	--	--	--	--	44,563
HPRP Families	--	4,031	--	--	--	--	27,233	--	--	--	--	68,842	--	--	72,673
Youth Program	--	--	--	--	--	--	--	--	--	--	--	--	--	--	27,233
Emergency Shelter Grant	74,936	--	12,035	--	--	--	--	--	--	--	--	--	--	--	86,971
Health Care for the Homeless															
State Shelter	--	--	21,664	--	--	--	--	--	--	--	--	--	--	--	21,664
Angel of Hope Clinic	--	--	--	--	--	10,000	--	--	--	--	--	--	--	--	10,000
Department of Public Instruction	23,979	--	--	--	--	--	--	--	--	--	--	--	--	--	23,979
Mercy Housing	--	--	--	--	--	--	--	--	--	--	141,534	--	--	--	141,534
Milwaukee County - DHHS															
Adult Service	--	--	20,482	--	--	--	--	--	--	--	--	--	--	--	20,482
Community Advocates															
Protective Payee	--	--	--	--	--	--	--	--	--	96,826	--	--	--	--	96,826
Emergency Shelter Grant	17,371	--	11,574	--	--	--	--	--	--	--	--	--	--	--	28,945
Emergency Food and Shelter	--	--	21,174	--	--	--	--	--	--	--	--	--	--	--	21,174
Brighter Futures	--	--	--	--	--	--	71,436	--	--	--	--	--	--	--	71,436
Wisconsin Housing and Economic Development Authority															
Other Governmental Grants	--	13,447	--	--	--	--	--	--	--	--	--	--	--	--	13,447
Community Shares	--	--	--	--	--	--	--	--	--	--	--	--	--	14,869	14,869
Contributions	28,030	--	44,300	1,000	12,926	--	19,304	7,500	--	25,000	--	--	254,082	100	393,252
Interest Income	--	--	--	--	--	--	--	--	--	--	--	--	--	109	109
Donated Goods and Services	91,543	--	21,785	5,512	185,483	--	17,472	1,733	14,746	8,915	3,300	7,402	2,134	--	360,025
Other Income	--	--	--	--	--	--	--	179	--	--	--	--	103	--	282
Loss on Disposal of Fixed Assets	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Net Assets Released From Restrictions	--	--	--	--	3,955	--	12,000	--	--	--	11,484	--	--	--	27,439
Total Revenue (Carried Forward)	\$ 897,625	\$ 84,638	\$ 173,124	\$ 37,955	\$ 202,364	\$ 10,000	\$ 147,830	\$ 9,412	\$ 59,309	\$ 130,741	\$ 156,318	\$ 76,044	\$ 256,438	\$ 14,969	\$ 2,256,747

HOPE HOUSE OF MILWAUKEE, INCORPORATED
SCHEDULE OF UNRESTRICTED FUNCTIONAL REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Chrysalis- Transitional	HMIS	Threshold- Emergency	SRO	US Food Pantry Food Service	Angel of Hope Clinic	Shining Star	Path to Progress	Community Outreach	Protective Payee	Marcy Housing	Rapid Re-Housing	Management and General	Fund- Raising	Total
Total Revenue (Brought Forward)	\$ 897,625	\$ 84,638	\$ 173,124	\$ 37,935	\$ 202,364	\$ 10,000	\$ 147,830	\$ 9,412	\$ 59,309	\$ 130,741	\$ 156,318	\$ 76,044	\$ 256,439	\$ 14,969	\$ 2,256,747
EXPENSES															
Employee Expenses	\$ 521,112	\$ 59,980	\$ 91,303	\$ 30,177	\$ 2,641	\$ 7,029	\$ 82,672	\$ 12,669	\$ 33,347	\$ 91,082	\$ 117,936	\$ 47,987	\$ 11,298	\$ 38,409	\$ 1,147,662
Salaries and Wages	1,415	924	902	79	2,468	2,479	440	31	18,602	18,602	18,602	18,602	18,602	18,602	18,602
Retirement	38,167	4,425	6,770	197	6,180	537	6,180	944	2,432	6,771	8,536	3,362	718	2,843	84,100
Payroll Taxes	5,725	602	1,139	230	29	67	1,133	68	430	721	1,022	356	195	774	12,046
Unemployment Insurance	10,540	1,229	1,774	53	1,841	142	1,674	253	667	1,841	2,382	966	196	378	23,102
Worker Compensation	78,127	9,772	9,860	5,209	259	97	8,057	1,111	8,393	11,351	28,091	18,440	238	378	179,383
Health, Dental, Disability Ins	1,043	24	70	—	—	—	—	—	40	9	332	67	704	—	2,265
Training	1,243	1,847	—	—	121	5	30	18	154	3,413	1,074	2,392	538	16	11,846
Travel	653,113	111,784	100,271	40,318	3,379	7,877	100,271	15,442	46,177	117,656	161,872	74,010	13,918	42,866	1,479,006
Total Employee Expenses	4,016	—	—	—	—	—	150	—	—	—	—	—	432	—	4,588
Outside Services	7,600	291	950	—	—	—	190	—	—	—	—	—	—	—	9,500
Professional Fees	13,141	519	1,728	—	—	—	346	—	—	519	—	—	—	—	17,291
Audit Fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Insurance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Advertising	405	100	20	—	—	—	100	—	—	—	—	—	—	—	625
Recruitment	43	88	11	—	—	—	54	—	—	—	—	—	—	—	6970
Membership, Dues and Fees	1,401	50	184	—	—	—	37	—	—	50	—	—	—	—	4,449
Subscriptions	22,580	5,064	2,893	—	—	—	877	—	—	569	—	—	—	—	43,676
Bank Fees and Interest	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Outside Services	31,448	14,022	14,022	231	2,706	—	1,101	—	272	—	—	—	589	200	50,569
Operating Expenses	126	39	39	—	25	—	464	—	126	579	446	89	2,158	1,249	6,536
Food-Perishable and Non-Perishable	275	145	505	212	276	8	464	4	—	—	—	—	2,654	1,973	3,727
General Program Expenses	30	—	—	15	—	—	15	—	60	480	15	—	—	237	1,897
Office Supplies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Computer Software	—	—	74	—	22	14	15	7	—	544	—	—	217	393	1,851
Postage	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Printing/Publication	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Operating Expenses	32,444	145	14,640	458	3,029	22	1,595	11	458	1,603	461	104	6,981	4,345	66,296
Client Expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Adult Education Fees	—	—	—	—	—	—	—	437	—	—	—	—	—	—	437
Youth Education Field Trip/Workshop	—	—	—	—	—	—	5,481	—	—	—	—	—	—	—	5,481
Beneficiary Supplies	—	—	—	—	—	—	—	16	—	1	1,086	—	—	—	1,778
Transportation Assistance	—	—	—	—	—	—	5,808	—	—	—	1,260	—	—	—	12,637
Rent Assistance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Clothing Assistance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Donated Services and Supplies	91,543	21,785	10,516	5,462	183,472	—	17,317	1,733	14,746	8,915	3,300	7,402	1,584	150	357,409
Total Client Expenses	94,830	24,742	24,742	5,462	183,472	—	28,606	2,186	14,746	8,916	5,646	7,402	1,584	150	377,742
Building Operating Expenses	21,102	819	2,748	—	819	546	546	273	—	819	—	—	153	—	27,825
Building Supplies	19,293	632	3,112	—	632	421	421	210	—	632	—	—	—	—	25,353
Building Maintenance Services	148	—	—	—	—	—	—	—	—	—	—	—	—	—	148
Kitchen Supplies	11	416	—	—	—	—	1,657	—	—	—	—	—	645	—	2,729
Equipment	8,786	109	835	—	288	—	132	66	—	109	—	—	309	—	10,634
Equipment Maintenance	12,959	386	1,702	—	581	12	339	170	892	387	—	—	(199)	2,179	19,408
Equipment Rental	—	—	—	—	—	—	—	—	23	—	—	—	—	—	1,678
Storage Rent	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Furnishings	1,790	—	383	—	—	—	—	—	—	—	—	—	—	—	2,173
Telephone	20,219	1,359	2,580	505	773	515	1,063	258	505	2,113	1,053	—	—	—	30,943
Internet Services	6,021	580	792	—	238	158	158	79	—	238	—	—	9	—	8,273
Utilities	36,472	1,434	4,796	—	1,439	996	959	480	—	1,434	—	—	9	—	47,979
Depreciation	80,679	106	10,516	—	3,185	2,123	2,123	1,061	—	1,061	—	—	7,962	—	107,520
Total Building Operating Expenses	207,481	5,841	27,564	505	7,955	4,661	7,398	20,617	1,420	5,837	1,053	—	3,843	3,843	284,664
Total Expenses	\$ 1,020,458	\$ 61,363	\$ 181,633	\$ 46,743	\$ 198,409	\$ 12,810	\$ 138,747	\$ 20,617	\$ 62,932	\$ 134,581	\$ 169,032	\$ 81,516	\$ 39,806	\$ 52,937	\$ 2,251,384
CHANGE IN NET ASSETS	\$ (122,833)	\$ (6,725)	\$ (8,509)	\$ (8,808)	\$ 3,955	\$ (2,910)	\$ 9,983	\$ (11,205)	\$ (3,623)	\$ (3,840)	\$ (12,714)	\$ (5,472)	\$ 216,632	\$ (37,668)	\$ 5,953
CAPITAL EXPENSES	\$ 31,787	\$ —	\$ 3,870	\$ —	\$ 2,391	\$ —	\$ 5,752	\$ —	\$ 217	\$ —	\$ —	\$ —	\$ 2,149	\$ —	\$ 46,166

HOPE HOUSE OF MILWAUKEE, INCORPORATED
 SCHEDULE OF UNRESTRICTED FUNCTIONAL REVENUE AND EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Chrysalis- Transitional	HM/S	Threshold - Emergency	SRO	US Food Pantry Food Service	Angel of Hope Clinic	Shining Star	Path to Progress	Community Outreach	Protective Payee	Mercy Housing	Rapid Re-Housing	Management and General	Fund- Raising	Total
REVENUES															
Department of Housing and Urban Development	\$ 576,229	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 5,964	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 582,193
Supportive Housing Program	--	--	--	--	--	--	--	--	--	--	--	--	--	--	48,384
Homeless Management	--	48,384	--	--	--	--	--	--	--	--	--	--	--	--	11,231
Information System	--	--	--	--	--	--	--	--	--	--	--	--	--	--	31,482
Information System Expansion	--	11,231	--	--	--	--	--	--	--	--	--	--	--	--	106,327
Supportive Services - Single Room Occupancy Program	--	--	--	31,482	--	--	--	--	--	--	--	--	--	--	46,901
City of Milwaukee	83,157	--	23,170	--	--	--	--	--	46,901	--	--	--	--	--	69,892
Shelter Grant	--	--	--	--	--	--	--	--	--	--	--	--	--	--	28,986
Community Organizer	--	--	--	--	--	--	--	--	--	--	--	--	--	--	25,664
HPRP Families	--	--	--	--	--	--	28,986	--	--	--	--	--	--	--	10,000
Youth Program	--	--	12,023	--	--	--	--	--	--	--	--	--	--	--	28,227
Emergency Shelter Grant	75,045	--	--	--	--	--	--	--	--	--	80,245	--	--	--	80,245
Health Care for the Homeless	--	--	25,664	--	--	--	--	--	--	--	--	--	--	--	25,664
State Shelter	--	--	--	--	--	10,000	--	--	--	--	--	--	--	--	10,000
Angel of Hope Clinic	--	--	--	--	--	--	--	--	--	--	--	--	--	--	28,227
Department of Public Instruction	28,227	--	--	--	--	--	--	--	--	--	--	--	--	--	28,227
Mercy Housing	--	--	--	--	--	--	--	--	--	--	80,245	--	--	--	80,245
Milwaukee County - DHHS	--	--	--	--	--	--	--	--	--	--	--	--	--	--	20,482
Adult Service	--	--	20,482	--	--	--	--	--	--	--	--	--	--	--	20,482
Community Advocates	--	--	--	--	--	--	--	--	--	90,913	--	--	--	--	90,913
Protective Payee	--	--	--	--	--	--	--	--	--	--	--	--	--	--	40,359
Emergency Shelter Grant	25,835	--	14,524	--	--	--	--	--	--	--	--	--	--	--	31,484
Emergency Food and Shelter	--	--	31,484	--	--	--	--	--	--	--	--	--	--	--	31,484
Brighter Futures	--	--	--	--	--	--	73,078	--	--	--	--	--	--	--	73,078
Wisconsin Housing and Economic Development Authority	5,000	--	--	--	--	--	--	--	--	--	--	--	--	--	5,000
Other Governmental Grants	--	14,073	--	--	--	--	--	--	--	--	--	--	--	--	14,073
Community Shares	--	--	--	--	--	--	--	--	--	--	--	--	15,320	--	15,320
Contributions	32,891	--	70	--	9,349	--	28,407	6,100	--	--	--	--	274,119	1,168	354,104
Interest Income	--	--	--	--	--	--	--	--	--	--	--	--	280	--	280
Donated Goods and Services	102,469	--	28,619	10,310	202,099	--	10,052	4,026	30,928	12,999	1,984	6,378	5,870	--	415,134
Other Income	--	--	--	--	--	--	--	95	--	--	--	--	772	--	772
Loss on Disposal of Fixed Assets	(5,685)	--	(748)	--	(224)	(150)	(150)	(75)	--	--	--	--	(448)	--	(7,480)
Net Assets Released From Restrictions	2,500	--	--	--	5,000	--	--	--	--	25,000	--	--	--	--	32,500
Total Revenue	\$ 925,688	\$ 73,688	\$ 155,298	\$ 41,792	\$ 216,224	\$ 9,850	\$ 146,337	\$ 12,146	\$ 77,829	\$ 128,312	\$ 82,229	\$ 76,270	\$ 280,593	\$ 16,488	\$ 2,242,714
(Carried Forward)															

HOPE HOUSE OF MILWAUKEE, INCORPORATED
SCHEDULE OF UNRESTRICTED FUNCTIONAL REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

	Chrysalis- Transitional	HMIS	Threshold - Emergency	SRO	US Food Pantry Food Service	Angel of Hope Clinic	Shining Star	Path to Progress	Community Outreach	Protective Payee	Mercy Housing	Rapid Re-Housing	Management and General	Fund- Raising	Total
Total Revenue (Brought Forward)	\$ 592,668	\$ 73,688	\$ 155,288	\$ 41,792	\$ 216,224	\$ 9,850	\$ 146,337	\$ 12,146	\$ 77,829	\$ 128,312	\$ 82,229	\$ 76,270	\$ 280,593	\$ 16,488	\$ 2,242,714
EXPENSES															
Employee Expenses	\$ 531,039	\$ 44,810	\$ 99,253	\$ 28,571	\$ 376	\$ 6,870	\$ 85,045	\$ 10,466	\$ 39,905	\$ 84,833	\$ 53,959	\$ 45,450	\$ 11,381	\$ 44,039	\$ 1,085,008
Salaries and Wages	7,252	1,312	1,138	677	—	—	409	130	—	1,275	1,520	338	119	217	14,387
Retirement	39,425	3,269	7,405	2,124	28	525	6,333	782	2,912	6,338	4,029	3,258	887	3,285	80,600
Payroll Taxes	5,809	340	1,222	252	10	63	1,208	66	637	690	321	357	198	355	11,528
Unemployment Insurance	13,940	1,166	2,602	751	11	180	2,265	291	1,021	2,250	1,289	1,187	296	1,149	28,388
Worker Compensation	74,571	11,737	11,737	5,082	—	95	13,152	1,152	4,219	11,249	3,998	17,418	108	411	154,929
Health, Dental, Disability Ins	865	182	243	69	—	19	13	6	50	625	217	75	38	—	2,564
Training	1,641	1,826	177	955	94	5	107	2	51	4,711	403	2,214	592	2	12,780
Travel	674,642	64,642	123,777	38,481	538	7,800	108,532	12,895	47,796	111,971	65,746	70,297	13,619	49,458	1,390,194
Total Employee Expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Outside Services	—	6,438	—	340	—	—	182	182	—	—	—	—	2,215	—	8,983
Professional Fees	7,274	552	1,711	—	—	342	342	171	—	513	—	—	—	—	9,100
Audit Fees	13,348	750	100	—	—	—	1,200	—	—	275	—	—	—	—	17,111
Insurance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,325
Recruitment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	6,135
Membership, Dues and Fees	27	—	218	—	—	44	44	23	—	—	—	—	2,132	—	4,181
Bank Fees and Interest	1,655	—	—	—	—	—	—	—	—	—	—	—	—	—	4,181
Total Outside Services	23,054	7,503	2,939	340	286	388	1,891	376	266	513	275	—	9,416	600	47,845
Operating Expenses	29,649	—	12,291	215	147	—	890	—	287	—	64	64	296	117	44,020
Food-Perishable and Non-Perishable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
General Program Expenses	288	85	358	258	143	8	442	16	137	573	794	27	2,443	1,210	6,722
Office Supplies	304	12	373	30	4	8	373	4	139	12	—	—	3,182	850	4,927
Computer Software	83	—	16	—	—	—	21	1	—	682	20	10	—	1,805	3,165
Postage	—	—	—	—	—	—	—	—	—	744	—	—	—	1,676	1,676
Printing/Publication	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subscriptions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Operating Expenses	30,324	130	12,704	503	295	17	1,726	21	563	2,011	818	101	8,435	4,774	62,422
Client Expenses	—	—	—	—	—	—	—	1,188	—	—	—	—	—	—	1,188
Adult Education Fees	—	—	—	—	—	—	7,483	—	—	—	—	—	—	—	7,483
Youth Education Field Trip/Workshop	—	—	—	—	—	—	—	—	—	35	8,829	—	—	—	10,661
Beneficiary Supplies	766	—	2,818	18	—	—	5,094	—	—	4,584	—	—	—	—	14,544
Transportation Assistance	2,048	—	2,975	—	—	—	—	—	—	—	—	—	—	—	2,975
Rent Assistance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Clothing Assistance	82	—	—	—	—	—	—	—	—	—	—	—	—	—	82
Donated Services and Supplies	102,488	—	28,619	10,310	204,969	—	10,052	4,026	30,928	12,400	1,129	7,233	5,870	—	418,024
Total Client Expenses	105,364	—	35,425	10,328	204,969	—	22,623	5,214	30,928	12,435	14,542	7,233	5,870	—	454,957
Building Operating Expenses	23,762	874	2,912	69	281	582	582	291	23	873	—	—	—	—	30,259
Building Supplies	16,856	648	2,161	—	217	432	432	216	—	649	—	—	629	—	22,240
Building Maintenance Services	30	—	—	—	—	—	—	—	—	—	—	—	—	30	30
Kitchen Supplies	1,207	—	248	—	—	—	168	—	888	693	—	—	813	903	6,144
Equipment	6,136	169	857	—	232	—	155	77	—	168	—	—	126	—	7,921
Equipment Maintenance	12,590	369	1,614	—	484	12	323	161	907	369	—	—	231	—	17,950
Equipment Rental	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Storage Rent	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Furnishings	1,088	—	—	—	—	—	—	—	—	600	—	—	—	—	1,688
Telephone	17,819	1,183	2,251	142	224	449	652	229	113	1,201	58	222	—	26	24,543
Internet Services	37,702	1,450	4,834	—	483	967	967	483	—	1,450	—	—	9	—	6,001
Utilities	75,857	1,450	9,981	—	3,125	1,964	2,520	982	16	6,183	—	—	6,596	—	48,336
Depreciation	197,680	6,079	25,455	211	5,116	4,525	5,916	2,498	1,957	6,183	58	222	8,404	929	101,041
Total Building Operating Expenses	1,031,064	78,354	200,300	49,863	211,224	12,728	140,694	21,004	81,510	133,113	81,439	77,853	45,744	55,761	2,220,651
Total Expenses	\$ 1,031,064	\$ 78,354	\$ 200,300	\$ 49,863	\$ 211,224	\$ 12,728	\$ 140,694	\$ 21,004	\$ 81,510	\$ 133,113	\$ 81,439	\$ 77,853	\$ 45,744	\$ 55,761	\$ 2,220,651
CHANGE IN NET ASSETS	\$ (105,396)	\$ (4,666)	\$ (45,012)	\$ (8,071)	\$ 5,000	\$ (2,870)	\$ 5,643	\$ (9,858)	\$ (3,681)	\$ (4,801)	\$ 790	\$ (1,589)	\$ 234,849	\$ (39,273)	\$ 22,063
CAPITAL EXPENSES	\$ 31,787	\$ —	\$ 3,870	\$ —	\$ 2,391	\$ —	\$ 5,752	\$ —	\$ 217	\$ —	\$ —	\$ —	\$ 2,149	\$ —	\$ 46,166

**HOPE HOUSE OF MILWAUKEE, INCORPORATED
SCHEDULE OF PROGRAM REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011**

Program Name : Emergency Shelter

	<u>Actual</u>	<u>Approved Budget</u>	<u>Variance From Budget</u>
REVENUE			
Contributions and Donations	\$ 66,085	\$ 82,731	\$ (16,646)
Grants From Government Agencies	86,556	86,912	(356)
Department of Human Services Revenue	20,482	20,482	---
Total Revenue	<u>\$ 173,123</u>	<u>\$ 190,125</u>	<u>\$ (17,002)</u>
EXPENSES			
Salaries	\$ 91,303	\$ 89,960	\$ 1,343
Employee Benefits	10,784	10,447	337
Payroll Taxes	9,683	11,993	(2,310)
Professional Fees	970	950	20
Supplies	505	443	62
Telephone	3,373	3,356	17
Postage and Shipping	---	50	(50)
Occupancy	21,456	20,305	1,151
Equipment Costs	3,963	3,997	(34)
Printing and Publications	74	189	(115)
Employee Travel	24	100	(76)
Conferences, Conventions, and Meetings	---	200	(200)
Specific Assistance to Individuals	36,034	45,500	(9,466)
Membership Dues	11	---	11
Client Transportation	2,730	1,955	775
Miscellaneous	687	680	7
Total Expenses	<u>\$ 181,597</u>	<u>\$ 190,125</u>	<u>\$ (8,528)</u>

**HOPE HOUSE OF MILWAUKEE, INC.
SCHEDULE OF PROGRAM REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010**

Program Name : Emergency Shelter

	<u>Actual</u>	<u>Approved Budget</u>	<u>Variance From Budget</u>
REVENUE			
Contributions and Donations	\$ 28,689	\$ 70,235	\$ (41,546)
Grants From Government Agencies	106,865	101,474	5,391
Department of Human Services Revenue	20,482	20,482	---
Loss on Disposal of Fixed Assets	(748)	---	(748)
Total Revenue	<u>\$ 155,288</u>	<u>\$ 192,191</u>	<u>\$ (36,903)</u>
EXPENSES			
Salaries	\$ 99,253	\$ 96,721	\$ 2,532
Employee Benefits	12,875	12,115	760
Payroll Taxes	11,229	11,725	(496)
Professional Fees	1,010	910	100
Supplies	397	400	(3)
Telephone	2,848	2,550	298
Postage and Shipping	16	50	(34)
Occupancy	20,535	20,384	151
Equipment Costs	3,665	3,912	(247)
Printing and Publications	---	73	(73)
Employee Travel	177	135	42
Conferences, Conventions, and Meetings	243	180	63
Specific Assistance to Individuals	44,897	40,000	4,897
Client Transportation	2,818	2,700	118
Miscellaneous	337	336	1
Total Expenses	<u>\$ 200,300</u>	<u>\$ 192,191</u>	<u>\$ 8,109</u>

HOPE HOUSE OF MILWAUKEE, INCORPORATED
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Federal Expenditures
FEDERAL EXPENDITURES		
U.S. Department of Agriculture		
State of Wisconsin - Department of Public Instruction		
Child and Adult Food Program	10.558	\$ 23,979
U.S. Department of Housing and Urban Development		
City of Milwaukee		
Community Development Block Grant		
Shelter Grant	14.218	96,520
Community Organizer	14.218	44,563
Youth Programs	14.218	27,233
Emergency Shelter Grant	14.231	86,971
Homelessness Prevention and Rapid Re-Housing- ARRA	14.257	72,673
Direct Award		
Transitional Housing Program	14.235	584,356
Youth Education	14.235	385
Supporting Housing Program (HMIS)	14.235	67,160
Supportive Services - SRO	14.235	31,423
Community Advocates		
Emergency Shelter Grant	14.231	28,945
Protective Payee	14.235	96,826
U.S. Department of Health and Social Services		
Milwaukee Health Care for the Homeless	93.224	10,000
Milwaukee County Department of Health and Human Services		
Emergency Shelter Grant	93.658	20,482
Community Advocates		
Brighter Futures	93.959	71,436
U.S. Department of Homeland Security		
Community Advocates		
Emergency Food and Shelter Program	97.024	<u>21,174</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 1,284,126</u>
State Grantor/ Pass-Through Grantor/ Program or Cluster Title		State Expenditures
STATE EXPENDITURES		
Milwaukee Health Care for the Homeless		<u>\$ 21,664</u>
TOTAL STATE EXPENDITURES		<u>\$ 21,664</u>

The accompanying note is an integral part of this schedule..

HOPE HOUSE OF MILWAUKEE, INCORPORATED
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Hope House of Milwaukee, Incorporated and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and applicable State of Wisconsin audit guides. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With
Government Auditing Standards and Applicable State of Wisconsin Audit Guides

To the Board of Directors of
Hope House of Milwaukee, Incorporated

We have audited the financial statements of Hope House of Milwaukee, Incorporated as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated April 24, 2012. We conducted our audit 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, and in accordance with applicable State of Wisconsin audit guides.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Hope House of Milwaukee, Incorporated's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hope House of Milwaukee, Incorporated's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or in accordance with applicable State of Wisconsin audit guides.

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To the Board of Directors of
Hope House of Milwaukee, Incorporated
Page Two

We noted certain matters that we reported to management of Hope House of Milwaukee, Incorporated in a separate letter dated April 24, 2012.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read "Ritz Holman CPA".

RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
April 24, 2012

Report on Compliance with Requirements That Could Have a Direct and Material Effect
on Each Major Program and on Internal Control Over Compliance
in Accordance with OMB Circular A-133

To the Board of Directors of
Hope House of Milwaukee, Incorporated

Compliance

We have audited the compliance of Hope House of Milwaukee, Incorporated with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2011 and 2010. Hope House of Milwaukee, Incorporated's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Hope House of Milwaukee, Incorporated's management. Our responsibility is to express an opinion on Hope House of Milwaukee, Incorporated's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hope House of Milwaukee, Incorporated's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Hope House of Milwaukee, Incorporated's compliance with those requirements.

In our opinion, Hope House of Milwaukee, Incorporated complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2011 and 2010.

Internal Control Over Compliance

Management of Hope House of Milwaukee, Incorporated is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Hope House of Milwaukee, Incorporated's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hope House of Milwaukee, Incorporated's internal control over compliance.

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To the Board of Directors of
Hope House of Milwaukee, Incorporated
Page Two

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
April 24, 2012

**HOPE HOUSE OF MILWAUKEE, INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified? | None Reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|-----------------|
| 4. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified? | None Reported |
| 5. Type of auditor's report issued on compliance for major programs: | Unqualified |
| 6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | No |
| 7. Identification of major programs: | <u>CFDA No.</u> |
| U.S. Department of Housing and Urban Development
Transitional Housing Program | 14.235 |
| 8. Dollar threshold used to distinguish between Type A and Type B programs: | \$300,000 |
| 9. Auditee qualified as low-risk auditee? | No |

**HOPE HOUSE OF MILWAUKEE, INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

B. FINANCIAL STATEMENT FINDINGS

No matters were reported.

C. FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

D. OTHER ISSUES

1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the audit report show audit issues (i.e., material noncompliance, non-material noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with applicable State of Wisconsin audit guides?

Department of Children and Families	N/A
Department of Health Services	N/A
Department of Workforce Development	N/A
Department of Corrections	N/A

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes

4. Name and signature of partner



ANDREW C. HOLMAN

5. Date of report

April 24, 2012

Hope House of Milwaukee, Incorporated
209 W. Orchard Street
Milwaukee, WI 53204-2957

In planning and performing our audit of the financial statements of Hope House of Milwaukee, Incorporated for the year ended December 31, 2011, we considered the Organization's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of the following matters that are opportunities for strengthening internal controls and operating efficiency:

1. Bank reconciliation statements are not reviewed monthly after prepared by accountant. It is recommended that reconciliation statements be reviewed each month and initialed by the reviewer.
2. Per the Organization's policy, two signatures are required on all checks. During the testing of canceled checks, one of the 40 canceled checks was signed by only one authorized signer. It is recommended that all checks be signed by two authorized signers in accordance with the Organization's check signing policy.

This letter does not affect our report dated April 24, 2012, on the financial statements of Hope House of Milwaukee, Incorporated.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.



RITZ HOLMAN LLP
Certified Public Accountants

April 24, 2012

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