

**Porchlight, Inc. and Subsidiary**  
Madison, Wisconsin

Consolidated Financial Statements and  
Supplementary Information  
Year Ended December 31, 2014

# Porchlight, Inc. and Subsidiary

## Consolidated Financial Statements and Supplementary Information

Year Ended December 31, 2014

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## **Independent Auditor's Report**

Board of Directors  
Porchlight, Inc. and Subsidiary  
Madison, Wisconsin

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

We have audited the accompanying consolidated financial statements of Porchlight, Inc. (a nonprofit organization) and Subsidiary, which comprise the consolidated statement of financial position of as of December 31, 2014, and the related consolidated statements of activities and cash flows for the year 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; 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 and the standards applicable to financial audits contained in the *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 consolidated financial statements are free from material misstatement. The financial statements of Porchlight Foundation, Inc. were not audited in accordance with the *Government Auditing Standards*.

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 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 Porchlight, Inc. and Subsidiary as of December 31, 2014, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

## **Other Matters**

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and other financial assistance, Schedules A-1 to A-2, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State of Wisconsin Single Audit Guideline*, issued by the Wisconsin Department of Administration, the consolidated statements of financial position and activities, the schedule of revenue and expenses by funding source and by contract, and the schedules of profit and loss for multifamily projects as required by Wisconsin Housing and Economic Development Authority are presented for purposes of additional analysis and are 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. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2015, on our consideration of Porchlight, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Porchlight, Inc.'s internal control over financial reporting and compliance.



Wipfli LLP

Madison, Wisconsin  
June 23, 2015

# Porchlight, Inc. and Subsidiary

## Consolidated Statement of Financial Position

December 31, 2014

<i>Assets</i>	
Current assets:	
Cash	\$ 1,743,205
Investments	291,986
Grants receivable	130,005
Accounts receivable	178,553
Land contract receivable	3,665
Pledges receivable	200,000
Inventory	4,200
Prepaid expenses	70,931
<b>Total current assets</b>	<b>2,622,545</b>
Other assets:	
WHEDA reserves	402,266
Land contract receivable	47,311
Charitable trust receivable, net	90,000
<b>Total other assets</b>	<b>539,577</b>
Property and equipment, net	10,978,643
<b>TOTAL ASSETS</b>	<b>\$ 14,140,765</b>
<i>Liabilities and Net Assets</i>	
Current liabilities:	
Current portion of mortgages payable	\$ 90,217
Current portion of deferred loans payable	3,500
Accounts payable	173,043
Accrued payroll and related expenses	71,380
Deferred revenue	43,865
Grant funds received in advance	11,749
<b>Total current liabilities</b>	<b>393,754</b>
Long-term liabilities:	
Deferred loans payable	3,034,884
Mortgages payable	1,655,304
<b>Total long-term liabilities</b>	<b>4,690,188</b>
<b>Total liabilities</b>	<b>5,083,942</b>
Net assets:	
Unrestricted net assets	
Board designated	576,580
Undesignated	6,378,654
<b>Total unrestricted net assets</b>	<b>6,955,234</b>
Temporarily restricted	2,101,589
<b>Total net assets</b>	<b>9,056,823</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 14,140,765</b>

See accompanying notes to consolidated financial statements.

# Porchlight, Inc. and Subsidiary

Consolidated Statement of Activities  
Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Grant revenue	\$ 2,197,439	\$ 0	\$ 2,197,439
Investment gain	29,474	0	29,474
Contributions	1,118,583	273,112	1,391,695
Rental income	1,166,846	0	1,166,846
Program fees	12,266	0	12,266
Miscellaneous	33,875	0	33,875
In-kind contributions	385,875	0	385,875
Net assets released from restriction through satisfaction of program restrictions	73,949	( 73,949)	0
<b>Total revenue</b>	<b>5,018,307</b>	<b>199,163</b>	<b>5,217,470</b>
Program expenses:			
Homeless men's drop-in shelter	333,779	0	333,779
Hospitality House	448,481	0	448,481
Safe Haven	478,193	0	478,193
Housing	2,064,222	0	2,064,222
Brooks Street	720,878	0	720,878
In-kind expenses	390,534	0	390,534
<b>Total program expenses</b>	<b>4,436,087</b>	<b>0</b>	<b>4,436,087</b>
Management and general	468,340	0	468,340
Fundraising	97,833	0	97,833
<b>Total management, general, and fund-raising</b>	<b>566,173</b>	<b>0</b>	<b>566,173</b>
<b>Total expenses</b>	<b>5,002,260</b>	<b>0</b>	<b>5,002,260</b>
<b>Change in net assets</b>	<b>16,047</b>	<b>199,163</b>	<b>215,210</b>
Net assets - Beginning of the year	6,939,187	1,902,426	8,841,613
<b>Net assets - End of the year</b>	<b>\$ 6,955,234</b>	<b>\$ 2,101,589</b>	<b>\$ 9,056,823</b>

See accompanying notes to consolidated financial statements.

# Porchlight, Inc. and Subsidiary

## Consolidated Statement of Cash Flows

Year Ended December 31, 2014

Increase (decrease) in cash:	
Cash flows from operating activities:	
Change in net assets	\$ 215,210
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	471,900
Net realized and unrealized gains on investments	( 8,867)
Forgiveness of deferred loan payable	( 3,500)
Donation of stock and other assets	( 112,071)
Changes in operating assets and liabilities:	
Grants receivable	18,560
Accounts receivable	18,319
Pledge receivable	( 200,000)
Inventory	17,600
Prepaid expenses	( 11,142)
Accounts payable	( 11,689)
Accrued payroll and related expenses	10,788
Deferred revenue	5,055
Grant funds received in advance	( 6,366)
Net cash provided by operating activities	403,797
Cash flows from investing activities:	
Purchase of property and equipment	( 8,155)
Construction in progress	( 10,098)
Proceeds from sale of investments	555,861
Purchase of investments	( 287,387)
Withdrawals of WHEDA reserves for improvements	30,998
Deposits to and interest retained in WHEDA reserves	( 29,274)
Net cash provided by investing activities	251,945
Cash flows from financing activities:	
Collection of land contract receivable	3,712
Principal payments on mortgages payable	( 86,320)
Net cash used in financing activities	( 82,608)
Change in cash	573,134
Cash - Beginning of the year	1,170,071
Cash - End of the year	\$ 1,743,205
<b>Supplemental schedule of other cash activity:</b>	
Interest paid and expensed	\$ 62,333

See accompanying notes to consolidated financial statements.

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### **Note 1            Summary of Significant Accounting Policies**

#### **Nature of Operations**

Porchlight, Inc. was established as a nonprofit corporation in 1987 and was formed to develop and provide resources for the purpose of assisting low-income individuals secure housing, find temporary and permanent jobs, and provide referrals to community resources to help individuals live independently. Porchlight, Inc. is primarily supported through federal and state government grants, rental income, and contributions. The main recipients of these programs reside in Dane County, Wisconsin. Approximately 16% of Porchlight, Inc.'s total revenue is received directly from the U.S. Department of Housing and Urban Development (HUD).

Porchlight Foundation, Inc. is a nonprofit organization created in 1999 to help carry out the mission of Porchlight by managing and preserving endowment and long-term assets for the benefit of Porchlight.

#### **Basis of Presentation**

The consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

#### **Principles of Consolidation**

These financial statements are consolidated and include the accounts of Porchlight, Inc. and Porchlight Foundation, Inc. The two entities are referred to as (the "Organizations"). All material inter-company transactions and accounts are eliminated in consolidation.

#### **Classification of Net Assets**

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organizations and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of contribution or are designated by the board of directors for a specific use.



# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### **Note 1**      **Summary of Significant Accounting Policies (Continued)**

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Organizations and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. If a restriction is satisfied in the year of contribution, the contribution is recorded as unrestricted revenue.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently the Organizations. Generally, the donors of these assets permit the Organizations to use all or part of the income earned on any related investments for general or specific purposes. Currently, the Organizations do not have any permanently restricted net assets.

#### **Use of Estimates**

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Revenue Recognition/Grant Funds Received in Advance**

Contributions are recognized when the donor makes a promise to give to the Organizations that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. If the restriction is satisfied in the period of contribution, the contribution is recorded as unrestricted revenue.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Rental income represents income received from various sources for use of property or space owned by Porchlight. This income is recognized in the period in which it is earned.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### **Note 1**      **Summary of Significant Accounting Policies (Continued)**

#### **A. Grant Awards That Are Contributions**

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance.

#### **B. Grant Awards That Are Exchange Transactions**

Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

#### **In-Kind Contributions**

Porchlight, Inc. has recorded in-kind contributions for supplies and professional services in the consolidated statement of activities in accordance with financial accounting standards. These accounting standards require that only contributions of services received that create or enhance a nonfinancial asset or require a specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of these financial standards are different than the in-kind requirements of the Porchlight's grant awards. Porchlight, Inc. received contributions of nonprofessional volunteers during the year with a value of \$150,797 which are not recorded in the consolidated statement of activities.

#### **Accounts Receivable, Land Contract Receivable, and Allowance for Doubtful Accounts**

Accounts receivable and the land contract receivable consist of receivables for rent, contributions, and amounts owed to the Organizations from various sources. The Organizations analyze the receivables and record an allowance for doubtful accounts based on prior collection, experience, and specific customer attributes. When all collection efforts have been exhausted, the Organizations write off receivables against the allowance for doubtful accounts. As of December 31, 2014, the Organizations had elected not to record an allowance for doubtful accounts since collection of the entire outstanding receivable balance is expected.

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### Note 1      **Summary of Significant Accounting Policies (Continued)**

#### **Pledges Receivable**

Porchlight, Inc. held a capital campaign to raise funds to finance the construction of commercial kitchen and housing unit development. Pledges receivable are recognized when the donor makes a promise to give to Porchlight, Inc. As of December 31, 2014, the Organizations had elected not to record an allowance for doubtful accounts since collection of the entire outstanding receivable balance is expected.

#### **Investments**

Investments in marketable securities are carried at fair value. Unrealized gains or losses of investments are reflected as investment gains or losses in the consolidated statement of activities. Fair values are determined based on active, publicly traded markets. Donated property held for sale is valued at the fair market value at the time of donation.

#### **Inventory**

Inventory consists of canned and preserved artisan products. Inventory is stated at the lower of cost, determined by the first-in, first-out (FIFO) method, or market.

#### **Charitable Trust Receivable**

Porchlight, Inc. is the beneficiary of a trust fund established by an individual's last will and testament. Porchlight, Inc. receives a 5% share of current income less expenses and preferred beneficiary payments. The expected cash flows were discounted using a 6% discount rate with the expectation that dividends would increase 3% per year with the growth of the fund.

#### **Property and Equipment**

Property and equipment are capitalized at cost and depreciated over their useful lives using the straight-line method. The Organizations consider property and equipment to be items with a cost greater than \$5,000 and having a useful life of greater than one year.

Property and equipment purchased with grant funds are owned by Porchlight, Inc. while used in the programs for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of property and equipment purchased with grant funds is \$1,825,421 at December 31, 2014.

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### **Note 1**      **Summary of Significant Accounting Policies (Continued)**

#### **Property and Equipment (Continued)**

Porchlight, Inc. has adopted a policy of implying a time restriction on assets purchased with grant contributions. Grant-funded property and equipment are recorded as restricted support. As the property and equipment are depreciated, the temporarily restricted net assets are released from restriction and reported in the consolidated statement of activities as net assets released from restriction.

#### **Income Taxes**

Porchlight, Inc. and Porchlight Foundation, Inc. are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organizations are also exempt from Wisconsin franchise or income tax.

The Organizations are required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the consolidated financial statements. The Organizations have determined there are no amounts to record as assets or liabilities related to uncertain tax positions. Federal returns for the years ended 2011 and beyond remain subject to examination by the Internal Revenue Service.

#### **Cost Allocation**

Joint costs are those costs incurred for the common benefit of all organization programs that cannot be readily identified with a final cost objective. Joint costs are allocated to benefiting programs based on the number of nights of shelter provided. This allocation method was approved by HUD.

#### **Subsequent Events**

Subsequent events have been evaluated through June 23, 2015, which is the date the consolidated financial statements were available to be issued.

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### Note 2 Concentration of Credit Risk

The Organizations maintain cash balances at several financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Share Insurance Fund (NCUSIF) up to \$250,000. At times during the year, balances in these accounts may exceed the insurance limits. At the end of 2014, cash balances for BMO Harris Bank (Charter #1) and Summit Credit Union exceeded the limits insured by the FDIC and NCUSIF. Management believes these financial institutions have strong credit ratings and credit risk related to these deposits is minimal.

Investments, as listed in Note 3, are not insured.

### Note 3 Investments

Investments consist of the following:

	<u>Porchlight</u>	<u>Foundation</u>	<u>Total</u>
Equity and fixed income funds			
Domestic equity securities	\$ 0	\$ 110,960	\$ 110,960
International equity securities	0	32,208	32,208
Fixed Income	0	90,818	90,818
<u>Donated property held for sale</u>	<u>58,000</u>	<u>0</u>	<u>58,000</u>
<u>Investment balance</u>	<u>\$ 58,000</u>	<u>\$ 233,986</u>	<u>\$ 291,986</u>

Investment gain for the year consists of the following:

	<u>Porchlight</u>	<u>Foundation</u>	<u>Total</u>
Interest income	\$ 6,405	\$ 0	\$ 6,405
Interest/dividend income	1,264	12,938	14,202
Net realized and unrealized gain/losses	13,778	(4,911)	8,867
<u>Total</u>	<u>\$ 21,447</u>	<u>\$ 8,027</u>	<u>\$ 29,474</u>

### Note 4 Fair Value Measurements

In accordance with generally accepted accounting principles, fair value can be measured under three levels of inputs (the fair value hierarchy). The level of an asset or liability within the fair value hierarchy is based on the lowest level of input significant to the fair value measurement of that asset or liability. Following is a brief description of each level of the fair value hierarchy:

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

### Note 4 Fair Value Measurements (Continued)

Level 1—Fair value measurement is based on quoted prices for identical assets or liabilities in active markets.

Level 2—Fair value measurement is based on 1) quoted prices for similar assets or liabilities in active markets; 2) quoted prices for identical or similar assets or liabilities in markets that are not active; or 3) valuation models and methodologies for which all significant assumptions are or can be corroborated by observable market data. Currently, the Organizations do not have any level 2 investments.

Level 3—Fair value measurement is based on valuation models and methodologies that incorporate at least one significant assumption that cannot be corroborated by observable market data. Level 3 measurements reflect the Organization's estimates about assumptions market participants would use in measuring fair value of the asset or liability.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while 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.

Information regarding the fair value of assets measured at fair value on a recurring basis as of December 31, 2014, is as follows:

	Assets Measured at Fair Value	Recurring Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity and fixed income funds:				
Domestic funds	\$ 110,960	\$ 110,960	\$ 0	\$ 0
International funds	32,208	32,208		
Fixed Income funds	90,818	90,818	0	0
Charitable trust receivable (See Note 8)	90,000	0	0	90,000
<b>Total Assets</b>	<b>\$ 323,986</b>	<b>\$ 233,986</b>	<b>\$ 0</b>	<b>\$ 90,000</b>

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### **Note 4 Fair Value Measurements (Continued)**

The Organizations does not have any liabilities measured at fair value on a recurring basis.

The fair value of the domestic, international and fixed income funds are based on quoted market prices. The fair value of the charitable trust is based on the expected cash flows discounted for perpetuity using a 6% discount rate with the expectation that dividends would increase 3% per year. There was no change in the fair value of the charitable trust during the fiscal year ending December 31, 2014.

The Organizations do not have any assets or liabilities measured at fair value on a nonrecurring basis.

### **Note 5 Grants Receivable**

Grants receivable represent amounts due from the various funding sources as follows:

U.S. Department of Housing & Urban Development	\$	53,388
U.S. Department of Veterans Affairs		29,749
State of Wisconsin		11,074
County of Dane		7,590
City of Madison		28,204
<u>Total</u>	<u>\$</u>	<u>130,005</u>

### **Note 6 WHEDA Reserves**

The Wisconsin Housing and Economic Development Authority (WHEDA) reserves of \$402,266 in escrow represent an operating deficit reserve of \$5,470 and replacement reserves of \$396,796 associated with Porchlight, Inc.'s WHEDA mortgages (see Note 11). These funds will remain with WHEDA until Porchlight, Inc. requests to use the funds and the use is approved by WHEDA.

### **Note 7 Land Contract Receivable**

In 2012, Porchlight, Inc. sold a portion of donated property by executing a land contract. The land contract receivable has an outstanding principal balance of \$50,976. The land contract receivable has an interest rate of 1% per year and monthly payments of \$347 with a maturity date of January 1, 2028. Porchlight, Inc. holds a lien on the property.

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### Note 8 Charitable Trust Receivable

Porchlight, Inc. is the beneficiary of a trust fund established by an individual's last will and testament. Accounting Standards Codification No. 958-605, *Transfer of Assets to a Not-for-Profit or Charitable Trust That Raises or Holds Contributions For Others*, requires that if a specified beneficiary (Porchlight, Inc.) has an unconditional right to receive all or a portion of a specified cash flow from the charitable trust, the beneficiary is required to recognize the beneficial interest, measuring and subsequently remeasuring its fair value, using a valuation technique such as the present value of the estimated expected future cash flows. Porchlight, Inc. receives a 5% share of current income less expenses and preferred beneficiary payments. The expected cash flows were discounted using a 6% discount rate with the expectation that dividends would increase 3% per year with the growth of the fund. The present value at December 31, 2014, was \$90,000, and the amount received in 2014 was \$4,866.

### Note 9 Property and Equipment

A summary of land, buildings, improvements, and equipment are as follows:

Land	\$	1,871,531
Buildings		11,807,804
Building improvements		1,849,220
Leasehold improvements		390,090
Equipment		702,658
<u>Construction in progress</u>		<u>10,099</u>
Total cost		16,631,402
<u>Accumulated depreciation</u>	(	<u>5,652,759</u> )
<u>Property and equipment, net</u>	\$	<u>10,978,643</u>

### Note 10 Deferred Loans Payable

Porchlight, Inc. has received no-interest deferred payment CDBG loan funds from the City of Madison. The funds were for the purchase and/or renovation of property. The funds are to be returned to the City of Madison if the properties are sold or converted to a use other than stipulated in the CDBG loan restrictions, with the exceptions of the Drop-In Shelter, Mifflin Street, and Johnson Street locations. The funds for the Drop-In Shelter have the same restrictions as previously listed; however, the City of Madison has agreed to forgive a portion of the loan over a period of 10 years at a rate of 10% per year beginning in 2010. The forgivable portion of the Mifflin Street and Johnson Street loans are to be forgiven at the end of a 10-year period. Mifflin Street and Johnson Street loans are to be forgiven in 2020.



# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### Note 10      **Deferred Loans Payable (Continued)**

Deferred loans payable consist of the following:

CDBG deferred funds:

Broom Street	\$ 20,000
Worthington Street	25,000
Northport Drive	12,500
Sinykin Circle	25,000
North Midvale	82,731
East Washington Avenue	53,750
Russet Road	150,000
Brooks Street	1,047,961
Brooks Street	18,000
Pheasant Ridge Trail	340,000
Camden Road	170,000
East Johnson Street	199,116
East Mifflin Street	203,367
Nakoosa Trail	265,669

CDBG deferred forgivable loans:

Drop-In Shelter	10,500
East Johnson Street	214,590
East Mifflin Street	200,200

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Total deferred loans payable	3,038,384
Current portion	3,500

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Long-term portion	\$ 3,034,884
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# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### Note 11

### Mortgages Payable

Porchlight, Inc. has the following mortgages payable at December 31, 2014:

Mortgage payable to WHEDA at 2.00% interest, with monthly payments of \$1,487, and the outstanding balance due May 1, 2022. The mortgage is collateralized by property at the following locations: \$ 122,933

902 Northport  
201 North Street  
310 North Hamilton  
316 South Broom  
33-39 Sinykin Circle

Mortgage payable to WHEDA at 4.00% interest, with monthly payments of \$3,338, and the outstanding balance due September 1, 2024. The mortgage is collateralized by property at 1102 Spring Street and 609 North Midvale. 322,939

Mortgage payable to WHEDA at 2.50% interest, with monthly payments of \$1,379, and the outstanding balance due February 1, 2037. The mortgage is collateralized by property at 2718 Pheasant Ridge Trail. 281,325

Mortgage payable to WHEDA at 2.50% interest, with monthly payments of \$859, and the outstanding balance due July 1, 2035. The mortgage is collateralized by property at 1409 McKenna Boulevard. 165,797

Mortgage payable to WHEDA at 7.05% interest, with monthly payments of \$3,943, and the outstanding balance due August 1, 2025. The mortgage is collateralized by property at the locations listed below. 353,813

Mortgage payable to WHEDA at 7.05% interest, with monthly payments of \$908, and the outstanding balance due August 1, 2025. The mortgage is collateralized by property at the locations listed below. 81,216

Mortgage payable to WHEDA at 7.05% interest, with monthly payments of \$468, and the outstanding balance due August 1, 2025. The mortgage is collateralized by property at the locations listed below. 41,998

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### Note 11      **Mortgages Payable (Continued)**

Mortgage payable to WHEDA at 0.00% interest, with monthly payments of \$3,943 deferred until September 1, 2025, and the outstanding balance due July 1, 2031. The mortgage is collateralized by property at the locations listed below. 278,380

Mortgage payable to WHEDA at 0.00% interest, with monthly payments of \$907 deferred until September 1, 2025, and the outstanding balance due July 1, 2031. The mortgage is collateralized by property at the locations listed below. 64,100

Mortgage payable to WHEDA at 0.00% interest, with monthly payments of \$468 deferred until September 1, 2025, and the outstanding balance due July 1, 2031. The mortgage is collateralized by properties at the locations listed below. 33,020

Total 1,745,521  
Current mortgages payable ( 90,217)

Long-term mortgages payable \$ 1,655,304

The above mortgages to WHEDA are collateralized by the following properties:

5814 Russet Road	249/251 Broadway
5818 Russet Road	1309 Northport Drive
3342-3344 East Washington Avenue	1903 Sherman Avenue
3346-3348 East Washington Avenue	

Future maturities are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 90,217
2016	94,328
2017	98,668
2018	103,249
2019	108,088
<u>Thereafter</u>	<u>1,250,971</u>
<u>Total</u>	<u>\$ 1,745,521</u>

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### **Note 11**      **Mortgages Payable (Continued)**

In addition to the previously stated long-term debt, Porchlight, Inc. has a revolving line of credit with BMO Harris Bank for \$200,000, which expires December 1, 2015, and is secured by property at 3710 E Karstens. The line-of-credit agreement has a variable interest rate equal to the prime rate (3.25% at December 31, 2014). No funds were borrowed on the line of credit at December 31, 2014.

### **Note 12**      **Temporarily Restricted Net Assets**

Temporarily restricted net assets represent balances that are available for use in the following activities:

Grant-funded equipment	\$	1,825,421
Commercial kitchen and housing unit development		273,112
Small loan fund		3,056
<hr/>		
Total	\$	2,101,589

### **Note 13**      **Retirement Plan**

Porchlight, Inc. established a simplified employee pension (SEP) plan. The plan is open to all employees who are at least 21 years of age and have been employed by Porchlight, Inc. for 1,000 hours and for the preceding 12 months. The retirement benefits are fully vested with the employee at the time of contribution. Porchlight, Inc.'s contributions for the year ended December 31, 2014, were \$57,414.

### **Note 14**      **Contingencies**

Porchlight, Inc. has several restrictions regarding the use of funds received for acquisition and rehabilitation of properties. The funds received and restrictions are as follows:

#### **CDBG-Deferred Loans**

As mentioned in Note 14, Porchlight, Inc. has 14 properties that were acquired or renovated with the use of deferred CDBG loans from the City of Madison. These loans would be payable to the City of Madison if the properties were sold or converted to a use other than stipulated in the CDBG loan restriction.

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### Note 14 Contingencies (Continued)

#### CDBG-Deferred Loans (Continued)

The deferred loan agreement of \$12,500 for Northport Drive and \$25,000 Sinykin Circle includes a further restriction that, upon the sale or change of the use of the property, Porchlight, Inc. will return to the City of Madison the fair market value of the assisted project, minus the pro-rated fair share of other source-funded improvements.

The deferred loan agreement of \$53,750 for East Washington Avenue includes a restriction that upon the sale, change of use, or discontinuance of use, Porchlight, Inc. will return to the City of Madison the fair market value of the assisted project minus the pro-rated share of other source funded improvements.

The deferred loan agreement of \$82,731 for North Midvale includes a restriction on \$60,669 of the funds received that should Porchlight, Inc. discontinue operation or change the use of the property, Porchlight, Inc. will repay to the City of Madison the ratio of CDBG funds to the total acquisition value multiplied by the appraisal value after improvements.

The deferred loan agreement for Pheasant Ridge Trail includes a further restriction that, upon the sale, transfer, or closure of the property, Porchlight, Inc. will return to the City of Madison the greater of the deferred loan amount of \$340,000, or an amount equal to 43% of the current fair market value of the property as determined by an appraiser.

The deferred loan agreement for Camden Road includes a restriction that upon the sale, transfer, change, or discontinuance in the permitted use of the property, Porchlight, Inc. will return to the City of Madison the greater of \$170,000, or an amount equal to 56% of the current fair market value of the property as determined by an appraiser.

The deferred loan agreement for East Johnson Street includes a restriction that upon the sale, transfer, change, or discontinuance in the permitted use of the property, Porchlight, Inc. will return to the City of Madison the greater of \$199,116, or an amount equal to 73% of the current fair market value of the property as determined by an appraiser.

The deferred loan agreement for East Mifflin Street includes a restriction that upon the sale, transfer, change, or discontinuance in the permitted use of the property, Porchlight, Inc. will return to the City of Madison the greater of \$239,255, or an amount equal to 75% of the current fair market value of the property as determined by an appraiser.

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### **Note 14**            **Contingencies (Continued)**

#### **CDBG-Deferred Loans (Continued)**

The deferred loan agreement of \$265,669 for Nakoosa Trail includes a restriction that upon the sale, transfer, change, or discontinuance in the permitted use of the property, Porchlight, Inc. will repay to the City of Madison the CDBG funds.

#### **Federal Home Loan Bank Affordable Housing Program**

Porchlight, Inc. received \$163,753 from the Federal Home Loan Bank (FHLB) to purchase and renovate properties on Spring Street and Sherman Avenue. In the event that Porchlight, Inc. would sell or convert the use of the properties within a 15-year period starting February 15, 2000, Porchlight, Inc. has agreed to repay the original award.

Porchlight, Inc. received \$80,000 from the FHLB to construct a property at Pheasant Ridge Trail. In the event that Porchlight, Inc. would sell or convert the use of the property within a 15-year period starting April 21, 2006, Porchlight, Inc. has agreed to repay the original award.

### **Note 15**            **Lease Commitments - Lessee**

Porchlight, Inc. leases various facilities and equipment for operation of its programs. Rent expense for 2014, was \$144,729. Future minimum lease payments for 2015 are \$54,490.

### **Note 16**            **Rental Activity**

Porchlight, Inc. rents to individuals that qualify under a variety of programs and to the Veterans Administration. The rental income for the year ended December 31, 2014, was \$1,166,846. The majority of program tenants are under annual or shorter rental arrangements.

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### Note 16 Rental Activity (Continued)

A summary of rental property is as follows:

	<b>Rental Property</b>
Land	\$ 1,800,031
Buildings	11,646,940
Building improvements	1,738,043
Equipment	493,563
Total cost	15,678,577
Accumulated depreciation	( 5,017,108)
<u>Rental property, net</u>	<u>\$ 10,661,469</u>

### Note 17 Grant Awards

At December 31, 2014, Porchlight, Inc. had commitments under various ongoing grant awards of approximately \$286,000. The revenue relating to these grants is not recognized in the accompanying consolidated financial statements as the revenue recognition is conditional on the incurrence of expenditures or the performance of services in the next fiscal year.

In addition, Porchlight, Inc. has received a \$400,000 grant award for the construction of the Porchlight products commercial kitchen and housing unit. The revenue relating to these grants is not recognized in the accompanying consolidated financial statements as the revenue recognition is conditional on the successful purchase of the build site.

# **Supplementary Information**

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# Porchlight, Inc. and Subsidiary

## Schedule A-1

### Schedule of Expenditures of Federal Awards and Other Financial Assistance

Year Ended December 31, 2014

CFDA Number	Program Name	Grantor Agency	Program Period	Project Number	Grant Award	12/31/13		Revenue			12/31/14		
						Grant Funds Received in Advance	12/31/13 Net Assets	Award/Funds Recognized	Other Revenue & Transfers	Total Revenue Recognized	Expenses	Grant Funds Received in Advance	12/31/14 Net Assets
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>													
14.231	DIGS - Eviction Prevention	City of Madison	01/01/14-12/31/14	JM001-HUDESIG14	44,313	\$ 0	\$ 0	\$ 44,313	\$ 0	\$ 44,313	(\$ 44,313)	\$ 0	\$ 0
14.231	STABLE Program	City of Madison	07/01/13-06/30/14	JD004-WISESG13	18,435	0	0	6,583	0	6,583	( 6,583)	0	0
14.231	STABLE Program	City of Madison	07/01/14-06/30/15	JD004-WISTHP14	6,900	0	0	3,450	0	3,450	( 3,450)	0	0
14.231	STABLE Program	City of Madison	07/01/14-06/30/15	JD004-WISESG14	16,400	0	0	8,369	0	8,369	( 8,369)	0	0
14.231	Single Men Outreach	City of Madison	07/01/14-06/30/15	JD005-WISESG14	25,000	0	0	11,669	0	11,669	( 11,669)	0	0
14.231	PTO Maintenance Training	City of Madison	01/01/14-12/31/14	JD009-HUDESIG14	4,065	0	0	4,065	0	4,065	( 4,065)	0	0
14.231	Outreach Mental Health Services	City of Madison	07/01/13-06/30/14	JD005-WISESG13	14,620	0	0	5,629	0	5,629	( 5,629)	0	0
14.231	PTO Employment Readiness	City of Madison	07/01/13-06/30/14	JD012-WISTHP13	12,637	0	0	6,103	0	6,103	( 6,103)	0	0
14.231	Transitional Housing Program	City of Madison	07/01/13-06/30/14	JD013-WISTHP13	24,974	0	0	15,671	0	15,671	( 15,671)	0	0
<b>Total CFDA #14.231 Emergency Shelter Grant Program</b>						<b>0</b>	<b>0</b>	<b>105,852</b>	<b>0</b>	<b>105,852</b>	<b>( 105,852)</b>	<b>0</b>	<b>0</b>
14.235	Transitional Housing - Operating	U.S. Dept. of HUD	01/01/14-12/31/14	WI0102L5I031306	68,416	0	0	68,416	0	68,416	( 68,416)	0	0
14.235	Transitional Housing - Supportive Services	U.S. Dept. of HUD	01/01/14-12/31/14	WI0102L5I031306	82,000	0	0	82,000	0	82,000	( 82,000)	0	0
14.235	Transitional Housing - Administration	U.S. Dept. of HUD	01/01/14-12/31/14	WI0102L5I031306	7,749	0	0	7,749	0	7,749	( 7,749)	0	0
<b>Subtotals</b>						<b>0</b>	<b>0</b>	<b>158,165</b>	<b>0</b>	<b>158,165</b>	<b>( 158,165)</b>	<b>0</b>	<b>0</b>
14.235	Safehaven - Operating	U.S. Dept. of HUD	01/01/14-12/31/14	WI0097L5I031306	40,718	0	0	40,718	0	40,718	( 40,718)	0	0
14.235	Safehaven - Supportive Services	U.S. Dept. of HUD	01/01/14-12/31/14	WI0097L5I031306	289,403	0	0	289,403	0	289,403	( 289,403)	0	0
14.235	Safehaven - Administration	U.S. Dept. of HUD	01/01/14-12/31/14	WI0097L5I031306	14,150	0	0	14,150	0	14,150	( 14,150)	0	0
14.235	Safehaven - HMIS	U.S. Dept. of HUD	01/01/14-12/31/14	WI0097L5I031306	495	0	0	495	0	495	( 495)	0	0
<b>Subtotals</b>						<b>0</b>	<b>0</b>	<b>344,766</b>	<b>0</b>	<b>344,766</b>	<b>( 344,766)</b>	<b>0</b>	<b>0</b>
14.235	Pheasant Ridge Trail - Operating	U.S. Dept. of HUD	05/01/13-04/30/14	WI0095L5I031205	28,494	0	0	8,487	0	8,487	( 8,487)	0	0
14.235	Pheasant Ridge Trail - Support Services	U.S. Dept. of HUD	05/01/13-04/30/14	WI0095L5I031205	20,049	0	0	7,867	0	7,867	( 7,867)	0	0
14.235	Pheasant Ridge Trail - Operating	U.S. Dept. of HUD	05/01/14-04/30/15	WI0095L5I031306	24,234	0	0	16,032	0	16,032	( 16,032)	0	0
14.235	Pheasant Ridge Trail - Support Services	U.S. Dept. of HUD	05/01/14-04/30/15	WI0095L5I031306	25,500	0	0	16,972	0	16,972	( 16,972)	0	0
14.235	Pheasant Ridge Trail - Administrative	U.S. Dept. of HUD	05/01/14-04/30/15	WI0095L5I031306	2,417	0	0	2,417	0	2,417	( 2,417)	0	0
<b>Subtotals</b>						<b>0</b>	<b>0</b>	<b>51,775</b>	<b>0</b>	<b>51,775</b>	<b>( 51,775)</b>	<b>0</b>	<b>0</b>
14.235	Partnership for Transitional Opportunities - Operating	U.S. Dept. of HUD	12/01/13-11/30/14	WI0094L5I031205	26,070	0	0	21,899	0	21,899	( 21,899)	0	0
14.235	Partnership for Transitional Opportunities - Support	U.S. Dept. of HUD	12/01/13-11/30/14	WI0094L5I031205	75,800	0	0	67,860	0	67,860	( 67,860)	0	0
14.235	Partnership for Transitional Opportunities - Admin	U.S. Dept. of HUD	12/01/13-11/30/14	WI0094L5I031205	7,130	0	0	6,454	0	6,454	( 6,454)	0	0
14.235	Partnership for Transitional Opportunities - Operating	U.S. Dept. of HUD	12/01/14-11/30/15	WI0094L5I031306	26,070	0	0	2,451	0	2,451	( 2,451)	0	0
14.235	Partnership for Transitional Opportunities - Support	U.S. Dept. of HUD	12/01/14-11/30/15	WI0094L5I031306	75,800	0	0	6,435	0	6,435	( 6,435)	0	0
14.235	Partnership for Transitional Opportunities - Admin	U.S. Dept. of HUD	12/01/14-11/30/15	WI0094L5I031306	7,130	0	0	938	0	938	( 938)	0	0
<b>Subtotals</b>						<b>0</b>	<b>0</b>	<b>106,037</b>	<b>0</b>	<b>106,037</b>	<b>( 106,037)</b>	<b>0</b>	<b>0</b>
14.235	Housing First Leasing Project - Operating	U.S. Dept. of HUD	08/01/13-07/31/14	WI0091L5I031205	7,137	0	0	4,437	0	4,437	( 4,437)	0	0
14.235	Housing First Leasing Project - Support Services	U.S. Dept. of HUD	08/01/13-07/31/14	WI0091L5I031205	19,150	0	0	12,600	0	12,600	( 12,600)	0	0
14.235	Housing First Leasing Project - Leasing	U.S. Dept. of HUD	08/01/13-07/31/14	WI0091L5I031205	89,208	0	0	50,058	0	50,058	( 50,058)	0	0
14.235	Housing First Leasing Project - Administrative	U.S. Dept. of HUD	08/01/13-07/31/14	WI0091L5I031205	5,823	0	0	3,026	0	3,026	( 3,026)	0	0
14.235	Housing First Leasing Project - Operating	U.S. Dept. of HUD	08/01/14-07/31/15	WI0091L5I031306	3,378	0	0	1,527	0	1,527	( 1,527)	0	0
14.235	Housing First Leasing Project - Support Services	U.S. Dept. of HUD	08/01/14-07/31/15	WI0091L5I031306	19,150	0	0	6,540	0	6,540	( 6,540)	0	0
14.235	Housing First Leasing Project - Leasing	U.S. Dept. of HUD	08/01/14-07/31/15	WI0091L5I031306	93,930	0	0	39,635	0	39,635	( 39,635)	0	0
14.235	Housing First Leasing Project - Administrative	U.S. Dept. of HUD	08/01/14-07/31/15	WI0091L5I031306	5,823	0	0	2,161	0	2,161	( 2,161)	0	0
<b>Subtotals</b>						<b>0</b>	<b>0</b>	<b>119,984</b>	<b>0</b>	<b>119,984</b>	<b>( 119,984)</b>	<b>0</b>	<b>0</b>
14.235	Nakoosa Trail - Operating	U.S. Dept. of HUD	01/01/13-12/31/14	WI0120B5I031000	11,000	0	0	2,379	0	2,379	( 2,379)	0	0
14.235	Nakoosa Trail - Support	U.S. Dept. of HUD	01/01/13-12/31/14	WI0120B5I031000	15,140	0	0	10,115	0	10,115	( 10,115)	0	0
14.235	Nakoosa Trail - Administration	U.S. Dept. of HUD	01/01/13-12/31/14	WI0120B5I031000	1,260	0	0	630	0	630	( 630)	0	0
<b>Subtotals</b>						<b>0</b>	<b>0</b>	<b>13,124</b>	<b>0</b>	<b>13,124</b>	<b>( 13,124)</b>	<b>0</b>	<b>0</b>
<b>Total CFDA #14.235 Supportive Housing Program</b>						<b>0</b>	<b>0</b>	<b>793,851</b>	<b>0</b>	<b>793,851</b>	<b>( 793,851)</b>	<b>0</b>	<b>0</b>
<b>DEPARTMENT OF VETERAN'S AFFAIRS</b>													
64.024	Veterans Transitional Housing	U.S. Dept. of Vet Affairs	01/01/14-12/31/14	08-891-WI	315,214	0	0	315,214	0	315,214	( 315,214)	0	0
<b>DEPARTMENT OF HOMELAND SECURITY</b>													
97.024	Emergency Shelter	Emergency Food and Shelter National Board	01/01/13-05/31/14	912600-016 Phase 31	14,000	0	0	3,100	0	3,100	( 3,100)	0	0
<b>Total Federal Programs</b>						<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,218,017</b>	<b>\$ 0</b>	<b>\$ 1,218,017</b>	<b>(\$ 1,218,017)</b>	<b>\$ 0</b>	<b>\$ 0</b>

# Porchlight, Inc. and Subsidiary

## Schedule A-2

### Schedule of Expenditures of Federal Awards and Other Financial Assistance

Year Ended December 31, 2014

CFDA Number	Program Name	Grantor Agency	Program Period	Project Number	Grant Award	12/31/13		Revenue			12/31/14		
						Grant Funds Received in Advance	12/31/13 Net Assets	Award/Funds Recognized	Other Revenue & Transfers	Total Revenue Recognized	Expenses	Grant Funds Received in Advance	12/31/14 Net Assets
<b>STATE AND LOCAL PROGRAMS</b>													
N/A	Hospitality House	City of Madison	01/01/14-12/31/14	JM001-MADGPR14	8,646	\$ 0	\$ 0	\$ 8,646	\$ 0	\$ 8,646	(\$ 8,646)	\$ 0	\$ 0
N/A	Transit-for-Jobs & Economic Self Sufficiency	City of Madison	01/01/14-12/31/14	N/A	80,000	0	0	80,000	0	80,000	( 80,000)	0	0
N/A	DIGS - Eviction Prevention	City of Madison	01/01/14-12/31/14	JM001-MADGPR14	45,001	0	0	45,001	0	45,001	( 45,001)	0	0
N/A	Outreach Worker	City of Madison	01/01/14-12/31/14	JD005-MADGPR14	40,651	0	0	40,651	0	40,651	( 40,651)	0	0
N/A	Supportive Services/Housing Operations	City of Madison	01/01/14-12/31/14	JK006-MADGPR14	88,442	0	0	88,442	0	88,442	( 88,442)	0	0
N/A	Eliminating Barriers to Stable Housing	City of Madison	01/01/14-12/31/14	JM003-MADGPR14	25,407	0	0	25,407	0	25,407	( 25,407)	0	0
N/A	Central Library Case Management	City of Madison	12/14/14-03/31/15	JK005-MADGPR14	25,000	0	0	5,374	0	5,374	( 5,374)	0	0
N/A	Drop In Shelter	Dane County	01/01/14-12/31/14	82574-8065	50,304	0	0	50,304	0	50,304	( 50,304)	0	0
N/A	Emergency Shelter	Dane County	01/01/14-12/31/14	82574-8066	61,967	0	0	61,967	0	61,967	( 61,967)	0	0
N/A	Housing Services	Dane County	01/01/14-12/31/14	82574-8068	25,039	0	0	25,039	0	25,039	( 25,039)	0	0
N/A	Transportation Services	Dane County	11/01/14-04/30/15	82574-8117	35,000	0	0	35,000	0	35,000	( 35,000)	0	0
N/A	Outreach Prevention	Dane County	01/01/14-12/31/14	82626-11081	26,127	0	0	26,127	0	26,127	( 26,127)	0	0
N/A	School Road CBRF	Dane County	01/01/14-12/31/14	82626-11082	72,000	0	0	72,000	0	72,000	( 72,000)	0	0
N/A	Hospitality House	Dane County	11/01/14-04/30/15	82755-8121	60,694	0	0	5,175	0	5,175	( 5,175)	0	0
N/A	United Way - Housing First for Families	United Way of Dane County	01/01/13-Ongoing	N/A	18,695	5,507	0	0	0	0	( 5,507)	0	0
N/A	United Way - Housing First for Families	United Way of Dane County	01/01/14-Ongoing	N/A	18,695	0	0	18,695	0	18,695	( 14,290)	4,405	0
N/A	United Way - Housing First for Families in Sun Prairie	United Way of Dane County	01/01/13-Ongoing	N/A	38,700	10,573	0	0	0	0	( 10,573)	0	0
N/A	United Way - Housing First for Families in Sun Prairie	United Way of Dane County	01/01/14-Ongoing	N/A	25,000	0	0	25,000	0	25,000	( 22,971)	2,029	0
N/A	United Way - Housing	United Way of Dane County	01/01/14-12/31/14	N/A	49,299	0	0	49,299	0	49,299	( 49,299)	0	0
N/A	United Way - Hospitality House	United Way of Dane County	01/01/14-12/31/14	N/A	127,017	0	0	127,017	0	127,017	( 127,017)	0	0
N/A	United Way - Case Management	United Way of Dane County	01/01/14-12/31/14	N/A	36,100	0	0	36,100	0	36,100	( 36,100)	0	0
N/A	United Way - Employment & Life Skills	United Way of Dane County	01/01/14-12/31/14	N/A	15,000	0	0	15,000	0	15,000	( 15,000)	0	0
N/A	United Way - SRO Services	United Way of Dane County	01/01/14-12/31/14	N/A	22,000	0	0	22,000	0	22,000	( 22,000)	0	0
N/A	United Way - Reducing School Mobility	United Way of Dane County	07/01/13-06/30/14	N/A	13,500	0	0	3,462	0	3,462	( 3,462)	0	0
N/A	United Way - Reducing School Mobility	United Way of Dane County	07/01/14-06/30/15	N/A	13,500	0	0	6,750	0	6,750	( 5,935)	815	0
N/A	United Way - Housing First Support, Education & Therapy	United Way of Dane County	01/01/13-12/31/14	N/A	25,000	535	0	0	0	0	( 535)	0	0
N/A	United Way - Housing First Support, Education & Therapy	United Way of Dane County	01/01/14-12/31/14	N/A	18,290	0	0	18,290	0	18,290	( 18,290)	0	0
N/A	United Way - Housing First for Families (Camden)	United Way of Dane County	01/01/14-12/31/14	N/A	3,710	0	0	3,710	0	3,710	( 3,710)	0	0
N/A	United Way - DIGS	United Way of Dane County	01/01/14-12/31/15	N/A	3,000	0	0	3,000	0	3,000	0	3,000	0
N/A	United Way - Single Adults Housing First	United Way of Dane County	01/01/14-12/31/14	N/A	6,000	0	0	6,000	0	6,000	( 6,000)	0	0
N/A	State Shelter Subsidy Grant	State of Wisconsin - Dept. of Administration	01/01/14-12/31/14	SSG 14-32	60,600	0	0	60,600	0	60,600	( 60,600)	0	0
N/A	Summer Camp & Bus Passes	S. Madison Rotary Club	01/01/14-12/31/14	N/A	1,500	1,500	0	0	0	0	( 1,500)	0	0
N/A	Summer Camp & Bus Passes	S. Madison Rotary Club	01/01/15-12/31/15	N/A	1,500	0	0	1,500	0	1,500	0	1,500	0
N/A	DIGS rental assistance	Downtown Rotary	04/01/14-11/30/14	N/A	7,500	0	0	7,500	0	7,500	( 7,500)	0	0
N/A	Small Loan Fund	Various	N/A	N/A	N/A	0	3,056	0	0	0	0	0	3,056
<b>GENERALLY ACCEPTED ACCOUNTING PRINCIPLE (GAAP) ADJUSTMENTS</b>													
N/A	In-kind	N/A	N/A	N/A	N/A	0	7,451	0	385,875	385,875	( 390,534)	0	2,792
N/A	Grant-Funded Property & Equipment	N/A	N/A	N/A	N/A	0	1,899,370	0	0	0	( 73,949)	0	1,825,421
<b>Total State and Local Programs and GAAP Adjustments</b>						<b>18,115</b>	<b>1,909,877</b>	<b>973,056</b>	<b>385,875</b>	<b>1,358,931</b>	<b>( 1,443,905)</b>	<b>11,749</b>	<b>1,831,269</b>
<b>Total Federal, State, and Local Programs</b>						<b>18,115</b>	<b>1,909,877</b>	<b>2,191,073</b>	<b>385,875</b>	<b>2,576,948</b>	<b>( 2,661,922)</b>	<b>11,749</b>	<b>1,831,269</b>
N/A	<b>Organizational Activities</b>		N/A	N/A	N/A	<b>0</b>	<b>6,931,736</b>	<b>0</b>	<b>2,634,156</b>	<b>2,634,156</b>	<b>( 2,340,338)</b>	<b>0</b>	<b>7,225,554</b>
<b>TOTALS</b>						<b>\$ 18,115</b>	<b>\$ 8,841,613</b>	<b>\$ 2,191,073</b>	<b>\$ 3,020,031</b>	<b>\$ 5,211,104</b>	<b>(\$ 5,002,260)</b>	<b>\$ 11,749</b>	<b>\$ 9,056,823</b>

#### Notes to Schedule of Expenditures of Federal Awards and Other Financial Assistance

##### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Porchlight, Inc. under programs of the federal government for the year ended December 31, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Porchlight, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Porchlight, Inc.

##### Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

# Porchlight, Inc. and Subsidiary

Consolidating Statement of Financial Position  
December 31, 2014

<i>Assets</i>	<b>Porchlight, Inc.</b>	<b>Porchlight Foundation, Inc.</b>	<b>Total</b>
<b>Current assets:</b>			
Cash	\$ 1,739,348	\$ 3,857	\$ 1,743,205
Investments	58,000	233,986	291,986
Grants receivable	130,005	0	130,005
Accounts receivable	178,553	0	178,553
Land contract receivable	3,665	0	3,665
Pledges receivable	200,000	0	200,000
Inventory	4,200	0	4,200
Prepaid expenses	70,931	0	70,931
Total current assets	2,384,702	237,843	2,622,545
<b>Other assets:</b>			
WHEDA reserves	402,266	0	402,266
Land contract receivable	47,311	0	47,311
Charitable trust receivable, net	90,000	0	90,000
Total other assets	539,577	0	539,577
Property and equipment, net	10,978,643	0	10,978,643
<b>TOTAL ASSETS</b>	<b>\$ 13,902,922</b>	<b>\$ 237,843</b>	<b>\$ 14,140,765</b>
<b><i>Liabilities and Net Assets</i></b>			
<b>Current liabilities:</b>			
Current portion of mortgages payable	\$ 90,217	\$ 0	\$ 90,217
Current portion of deferred loans payable	3,500	0	3,500
Accounts payable	173,043	0	173,043
Accrued payroll and related expenses	71,380	0	71,380
Deferred revenue	43,865	0	43,865
Grant funds received in advance	11,749	0	11,749
Total current liabilities	393,754	0	393,754
<b>Long-term liabilities:</b>			
Deferred loans payable	3,034,884	0	3,034,884
Mortgages payable	1,655,304	0	1,655,304
Total long-term liabilities	4,690,188	0	4,690,188
Total liabilities	5,083,942	0	5,083,942
<b>Net assets:</b>			
Unrestricted net assets			
Board designated	576,580	0	576,580
Undesignated	6,140,811	237,843	6,378,654
Total unrestricted net assets	6,717,391	237,843	6,955,234
Temporarily restricted	2,101,589	0	2,101,589
Total net assets	8,818,980	237,843	9,056,823
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 13,902,922</b>	<b>\$ 237,843</b>	<b>\$ 14,140,765</b>

See Independent Auditor's Report.

# Porchlight, Inc. and Subsidiary

Consolidating Statement of Activities  
Year Ended December 31, 2014

	Unrestricted Porchlight Foundation,			Temporarily Restricted Porchlight Foundation,			
	Porchlight, Inc.	Inc.	Total	Porchlight, Inc.	Inc.	Total	Totals
Revenue:							
Grant revenue	\$ 2,197,439	\$ 0	\$ 2,197,439	\$ 0	\$ 0	\$ 0	\$ 2,197,439
Investment gain	21,447	8,027	29,474	0	0	0	29,474
Contributions	1,068,358	50,225	1,118,583	273,112	0	273,112	1,391,695
Rental income	1,166,846	0	1,166,846	0	0	0	1,166,846
Program fees	12,266	0	12,266	0	0	0	12,266
Miscellaneous	33,875	0	33,875	0	0	0	33,875
In-kind contributions	385,875	0	385,875	0	0	0	385,875
Net assets released from restriction through satisfaction of program restrictions	73,949	0	73,949	( 73,949)	0	( 73,949)	0
<b>Total revenue</b>	<b>4,960,055</b>	<b>58,252</b>	<b>5,018,307</b>	<b>199,163</b>	<b>0</b>	<b>199,163</b>	<b>5,217,470</b>
Program expenses:							
Homeless men's drop-in shelter	333,779	0	333,779	0	0	0	333,779
Hospitality House	448,481	0	448,481	0	0	0	448,481
Safe Haven	478,193	0	478,193	0	0	0	478,193
Housing	2,064,222	0	2,064,222	0	0	0	2,064,222
Brooks Street	720,878	0	720,878	0	0	0	720,878
In-kind expenses	390,534	0	390,534	0	0	0	390,534
<b>Total program expenses</b>	<b>4,436,087</b>	<b>0</b>	<b>4,436,087</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,436,087</b>
Management and general	465,952	2,388	468,340	0	0	0	468,340
Fundraising	97,833	0	97,833	0	0	0	97,833
<b>Total management, general, and fund-raising</b>	<b>563,785</b>	<b>2,388</b>	<b>566,173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>566,173</b>
<b>Total expenses</b>	<b>4,999,872</b>	<b>2,388</b>	<b>5,002,260</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,002,260</b>
Change in net assets	( 39,817)	55,864	16,047	199,163	0	199,163	215,210
Net assets - Beginning of the year	6,757,208	181,979	6,939,187	1,902,426	0	1,902,426	8,841,613
Net assets - End of the year	\$ 6,717,391	\$ 237,843	\$ 6,955,234	\$ 2,101,589	\$ 0	\$ 2,101,589	\$ 9,056,823

See Independent Auditor's Report.

# Porchlight, Inc. and Subsidiary

## Schedule B

### Schedule of Revenue and Expenses by Funding Source and by Contract

Year Ended December 31, 2014

	Revenue Source									
	Outreach Prevention	Drop-In Shelter			Emergency Shelter	Transportation Services	Housing Services	School Road CBRF	Hospitality House	Total Programs
	Dane County	Dane County	State of Wisconsin	Total	Dane County	Dane County	Dane County	Dane County	Dane County	
<b>Total Revenue</b>	\$ 26,127	\$ 50,304	\$ 60,600	\$ 110,904	\$ 61,967	\$ 35,000	\$ 25,039	\$ 72,000	\$ 5,175	\$ 336,212
<b>EXPENSES</b>										
Program expenses:										
Personnel	26,127	50,304	30,000	80,304	56,239	22,900	25,039	43,600	3,950	258,159
Operating	0	0	11,000	11,000	0	12,100	0	18,500	1,225	42,825
Space	0	0	19,600	19,600	0	0	0	9,900	0	29,500
Special costs	0	0	0	0	0	0	0	0	0	0
Other expense	0	0	0	0	0	0	0	0	0	0
<b>Total program expenses</b>	<b>26,127</b>	<b>50,304</b>	<b>60,600</b>	<b>110,904</b>	<b>56,239</b>	<b>35,000</b>	<b>25,039</b>	<b>72,000</b>	<b>5,175</b>	<b>330,484</b>
Administrative expenses:										
Personnel	0	0	0	0	5,728	0	0	0	0	5,728
Operating	0	0	0	0	0	0	0	0	0	0
Space	0	0	0	0	0	0	0	0	0	0
Special costs	0	0	0	0	0	0	0	0	0	0
Other expense	0	0	0	0	0	0	0	0	0	0
<b>Total administrative expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,728</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,728</b>
<b>Total Expenses</b>	<b>26,127</b>	<b>50,304</b>	<b>60,600</b>	<b>110,904</b>	<b>61,967</b>	<b>35,000</b>	<b>25,039</b>	<b>72,000</b>	<b>5,175</b>	<b>336,212</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

<b>Provider Name:</b>	Porchlight, Inc.	<b>Contract #:</b>	82626	<b>*Provider Certified By:</b>	1/25/2015
<b>Program Name:</b>	Outreach Prevention	<b>Program Group #:</b>	11081		<b>Date</b>

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
<b>A. PERSONNEL</b>						
Salaries	21,161		22,176	22,176	21,161	
Taxes	2,125		2,005	2,005	2,125	
Benefits	2,841		1,946	1,946	2,841	
<b>Subtotal A</b>	<b>26,127</b>	<b>0</b>	<b>26,127</b>	<b>26,127</b>	<b>26,127</b>	<b>0.00%</b>
<b>B. OPERATING</b>						
Insurance						
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Supplies						
Equipment/Furnishings						
Depreciation						
Telephone						
Training/Conference						
Food/Household Supplies						
Auto Allowance						
Vehicle Costs						
Other1:						
Other2:						
<b>Subtotal B</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>C. SPACE</b>						
Rent						
Utilities						
Maintenance						
Mortgage Interest, Depreciation, Property Taxes						
<b>Subtotal C</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>D. SPECIAL COSTS</b>						
Assistance to Individuals						
<b>Subtotal D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>E. OTHER</b>						
Other3:						
Other4:						
<b>Subtotal E</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
This section for Adult - DD only.						
<b>F. OFF-SETTING REVENUE</b>						
Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
<b>Subtotal F</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL A THROUGH F</b>	<b>26,127</b>	<b>0</b>	<b>26,127</b>	<b>26,127</b>	<b>26,127</b>	<b>0.00%</b>

\*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

<b>Provider Name:</b>	Porchlight, Inc.	<b>Contract #:</b>	82574	<b>*Provider Certified By:</b>	1/25/2015
<b>Program Name:</b>	Drop-In Shelter	<b>Program Group #:</b>	8065		<b>Date</b>

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
<b>A. PERSONNEL</b>						
Salaries	39,198		39,831	39,831	39,198	
Taxes	3,669		4,642	4,642	3,669	
Benefits	7,437		5,831	5,831	7,437	
<b>Subtotal A</b>	<b>50,304</b>	<b>0</b>	<b>50,304</b>	<b>50,304</b>	<b>50,304</b>	<b>0.00%</b>
<b>B. OPERATING</b>						
Insurance						
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Supplies						
Equipment/Furnishings						
Depreciation						
Telephone						
Training/Conference						
Food/Household Supplies						
Auto Allowance						
Vehicle Costs						
Other1:						
Other2:						
<b>Subtotal B</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>C. SPACE</b>						
Rent						
Utilities						
Maintenance						
Mortgage Interest, Depreciation,						
Property Taxes						
<b>Subtotal C</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>D. SPECIAL COSTS</b>						
Assistance to Individuals						
<b>Subtotal D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>E. OTHER</b>						
Other3:						
Other4:						
<b>Subtotal E</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>F. OFF-SETTING REVENUE</b>						
<b>Show as negative numbers:</b>						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
<b>Subtotal F</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL A THROUGH F</b>	<b>50,304</b>	<b>0</b>	<b>50,304</b>	<b>50,304</b>	<b>50,304</b>	<b>0.00%</b>

\*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

<b>Provider Name:</b>	Porchlight, Inc.	<b>Contract #:</b>	82574	<b>*Provider Certified By:</b>	1/25/2015
<b>Program Name:</b>	Emergency Shelter	<b>Program Group #:</b>	8066		<b>Date</b>

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
<b>A. PERSONNEL</b>						
Salaries	47,577	4,976	46,134	51,110	47,577	
Taxes	4,541	394	4,361	4,755	4,541	
Benefits	9,849	358	5,744	6,102	9,849	
<b>Subtotal A</b>	<b>61,967</b>	<b>5,728</b>	<b>56,239</b>	<b>61,967</b>	<b>61,967</b>	<b>0.00%</b>
<b>B. OPERATING</b>						
Insurance						
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Supplies						
Equipment/Furnishings						
Depreciation						
Telephone						
Training/Conference						
Food/Household Supplies						
Auto Allowance						
Vehicle Costs						
Other1:						
Other2:						
<b>Subtotal B</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>C. SPACE</b>						
Rent						
Utilities						
Maintenance						
Mortgage Interest, Depreciation,						
Property Taxes						
<b>Subtotal C</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>D. SPECIAL COSTS</b>						
Assistance to Individuals						
<b>Subtotal D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>E. OTHER</b>						
Other3:						
Other4:						
<b>Subtotal E</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>F. OFF-SETTING REVENUE</b>						
<b>Show as negative numbers:</b>						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
<b>Subtotal F</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL A THROUGH F</b>	<b>61,967</b>	<b>5,728</b>	<b>56,239</b>	<b>61,967</b>	<b>61,967</b>	<b>0.00%</b>

\*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.



<b>Provider Name:</b>	Porchlight, Inc.	<b>Contract #:</b>	82574	<b>*Provider Certified By:</b>	1/25/2015
<b>Program Name:</b>	Housing Services	<b>Program Group #:</b>	8068		<b>Date</b>

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
<b>A. PERSONNEL</b>						
Salaries	16,647		17,440	17,440	16,647	
Taxes	1,395		1,177	1,177	1,395	
Benefits	6,997		6,422	6,422	6,997	
<b>Subtotal A</b>	<b>25,039</b>	<b>0</b>	<b>25,039</b>	<b>25,039</b>	<b>25,039</b>	<b>0.00%</b>
<b>B. OPERATING</b>						
Insurance						
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Supplies						
Equipment/Furnishings						
Depreciation						
Telephone						
Training/Conference						
Food/Household Supplies						
Auto Allowance						
Vehicle Costs						
Other1:						
Other2:						
<b>Subtotal B</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>C. SPACE</b>						
Rent						
Utilities						
Maintenance						
Mortgage Interest, Depreciation,						
Property Taxes						
<b>Subtotal C</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>D. SPECIAL COSTS</b>						
Assistance to Individuals						
<b>Subtotal D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>E. OTHER</b>						
Other3:						
Other4:						
<b>Subtotal E</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>F. OFF-SETTING REVENUE</b>						
<b>Show as negative numbers:</b>						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
<b>Subtotal F</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL A THROUGH F</b>	<b>25,039</b>	<b>0</b>	<b>25,039</b>	<b>25,039</b>	<b>25,039</b>	<b>0.00%</b>

See Independent Auditor's Report \*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

<b>Provider Name:</b>	Porchlight, Inc.	<b>Contract #:</b>	82574	<b>*Provider Certified By:</b>	1/25/2015
<b>Program Name:</b>	Transportation Services	<b>Program Group #:</b>	8117		<b>Date</b>

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
<b>A. PERSONNEL</b>						
Salaries	20,100		20,113	20,113	20,100	
Taxes	2,000		2,031	2,031	2,000	
Benefits	800		756	756	800	
<b>Subtotal A</b>	<b>22,900</b>	<b>0</b>	<b>22,900</b>	<b>22,900</b>	<b>22,900</b>	<b>0.00%</b>
<b>B. OPERATING</b>						
Insurance						
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Supplies						
Equipment/Furnishings						
Depreciation						
Telephone						
Training/Conference						
Food/Household Supplies						
Auto Allowance						
Vehicle Costs	12,100		12,100	12,100	12,100	
Other1:						
Other2:						
<b>Subtotal B</b>	<b>12,100</b>	<b>0</b>	<b>12,100</b>	<b>12,100</b>	<b>12,100</b>	<b>0.00%</b>
<b>C. SPACE</b>						
Rent						
Utilities						
Maintenance						
Mortgage Interest, Depreciation,						
Property Taxes						
<b>Subtotal C</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>D. SPECIAL COSTS</b>						
Assistance to Individuals						
<b>Subtotal D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>E. OTHER</b>						
Other3:						
Other4:						
<b>Subtotal E</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>F. OFF-SETTING REVENUE</b>						
<b>Show as negative numbers:</b>						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
<b>Subtotal F</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL A THROUGH F</b>	<b>35,000</b>	<b>0</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>0.00%</b>

\*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

<b>Provider Name:</b>	Porchlight, Inc.	<b>Contract #:</b>	82626	<b>*Provider Certified By:</b>	1/25/2015
<b>Program Name:</b>	School Road CBRF	<b>Program Group #:</b>	11082		<b>Date</b>

	<b>1</b> Approved County-Funded Budget	<b>vp</b> YTD County-Funded Admin Expense	<b>3</b> YTD County-Funded Program Expense	<b>4</b> YTD County-Funded Expense Total (= Col. 2 + 3)	<b>5</b> YTD County-Funded Budget	<b>6</b> YTD % Variance from Budget
<b>A. PERSONNEL</b>						
Salaries	32,600		32,739	32,739	32,600	
Taxes	2,900		2,803	2,803	2,900	
Benefits	8,100		8,058	8,058	8,100	
<b>Subtotal A</b>	<b>43,600</b>	<b>0</b>	<b>43,600</b>	<b>43,600</b>	<b>43,600</b>	<b>0.00%</b>
<b>B. OPERATING</b>						
Insurance	2,800		2,732	2,732	2,800	
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Sup	300		22	22	300	
Equipment/Furnishings						
Depreciation						
Telephone	2,200		1,844	1,844	2,200	
Training/Conference	500		770	770	500	
Food/Household Supplies	12,700		13,132	13,132	12,700	
Auto Allowance						
Vehicle Costs						
Other1:						
Other2:						
<b>Subtotal B</b>	<b>18,500</b>	<b>0</b>	<b>18,500</b>	<b>18,500</b>	<b>18,500</b>	<b>0.00%</b>
<b>C. SPACE</b>						
Rent	7,400		7,400	7,400	7,400	
Utilities						
Maintenance						
Mortgage Interest, Depreciation	2,500		2,500	2,500	2,500	
Property Taxes						
<b>Subtotal C</b>	<b>9,900</b>	<b>0</b>	<b>9,900</b>	<b>9,900</b>	<b>9,900</b>	<b>0.00%</b>
<b>D. SPECIAL COSTS</b>						
Assistance to Individuals						
<b>Subtotal D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>E. OTHER</b>						
Other3:						
Other4:						
<b>Subtotal E</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>F. OFF-SETTING REVENUE</b>						
Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
<b>Subtotal F</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL A THROUGH F</b>	<b>72,000</b>	<b>0</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>0.00%</b>

See Independent Auditor's Report. \*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

<b>Provider Name:</b>	Porchlight, Inc.	<b>Contract #:</b>	82755	<b>*Provider Certified By:</b>	1/25/2015
<b>Program Name:</b>	Hospitality House	<b>Program Group #:</b>	8121		<b>Date</b>

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
<b>A. PERSONNEL</b>						
Salaries	38,200		3,474	3,474	7,640	
Taxes	3,420		291	291	680	
Benefits	6,574		185	185	1,310	
<b>Subtotal A</b>	<b>48,194</b>	<b>0</b>	<b>3,950</b>	<b>3,950</b>	<b>9,630</b>	<b>-58.98%</b>
<b>B. OPERATING</b>						
Insurance	800				160	
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Sup	800				160	
Equipment/Furnishings						
Depreciation						
Telephone	1,000				200	
Training/Conference						
Food/Household Supplies	1,300				260	
Auto Allowance						
Vehicle Costs	100				20	
Other1:						
Other2:						
<b>Subtotal B</b>	<b>4,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>800</b>	<b>-100.00%</b>
<b>C. SPACE</b>						
Rent						
Utilities	4,000				800	
Maintenance	4,500		1,225	1,225	900	
Mortgage Interest, Depreciation,						
Property Taxes						
<b>Subtotal C</b>	<b>8,500</b>	<b>0</b>	<b>1,225</b>	<b>1,225</b>	<b>1,700</b>	<b>-27.94%</b>
<b>D. SPECIAL COSTS</b>						
Assistance to Individuals						
<b>Subtotal D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>E. OTHER</b>						
Other3:						
Other4:						
<b>Subtotal E</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>F. OFF-SETTING REVENUE</b>						
<b>Show as negative numbers:</b>						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
<b>Subtotal F</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL A THROUGH F</b>	<b>60,694</b>	<b>0</b>	<b>5,175</b>	<b>5,175</b>	<b>12,130</b>	<b>-57.34%</b>

See Independent Auditor's Report. \*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

Wisconsin Housing and Economic Development Authority			FORM 800 (Rev.12/05)	
SCHEDULE OF PROFIT AND LOSS for Multifamily Projects				
Project Name: Broadview			Project Number: 011/001795	
Period Beginning: 01/01/14 thru: 12/31/14			Year: 2014	
	Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	256,140	
	Tenant Assistance Payments	5121		
	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190	803	
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		256,943
5200 VACANCIES	Apartment Vacancies	5220	9,370	
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250	7,356	
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290	3,535	
		Total Vacancies or Concessions	5200	
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		236,682
5300	Total Service Income	5300		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	815	
	Revenue from Investments-Miscellaneous	5490		
	Total Financial Revenue	5400		815
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990	1,199	
	Total Miscellaneous Revenue	5900		1,199
	Total Revenue	5000		238,696
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250	921	
	Total Rent Expense		921	
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311		
	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322		
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340		
	Audit Expense-project only	6350		
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370	1,719	
	Miscellaneous Administrative Expense	6390	80,168	
		Total Administrative Expense		81,887
6200 + 6300	Total Rent & Administrative Expense	6263		82,808
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	8,389	
	Water	6451	4,453	
	Gas	6452	5,049	
	Sewer	6453	6,295	
	Total Utilities Expense	6400		24,186

	Description of Account	Acct. No.	Amount	Totals
6500	Payroll	6510	14,444	
OPERATING & MAINTENANCE EXPENSE	Supplies	6515	0	
	Contracts	6520		
	Operating and Maintenance Rent Free Unit	6521		
	Garbage & Trash Removal	6525		
	Security Payroll/Contract (incl. taxes and benefits)	6530		
	Security Rent Free Unit	6531		
	Heating/Cooling Repairs & Maintenance	6546		
	Snow Removal	6548		
	Vehicle/Maintenance Equipment Operation & Repairs	6570		
	Misc. Operating & Maintenance Expense	6590	28,698	
	Total Operating & Maintenance Expense	6500		43,142
6900	Total Service Expense	6900		0
6700	Real Estate & Personal Property Taxes	6710	0	
TAXES AND INSURANCE	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	7,170	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	Total Taxes and Insurance	6700		7,170
3220	Replacement Reserve Deposits as Required by WHEDA	3220		8,400
	Total Operating Expenses			165,706
	Net Operating Income (NOI)			72,990
6800	Interest on Mortgage Payable	6820	33,836	
FINANCIAL EXPENSE	Interest on Notes Payable (Long Term)	6830		
	Interest on Notes Payable (Short Term)	6840		
	Mortgage Insurance Premium/Service Charge	6850		
	Miscellaneous Financial Expense/Preservation Fee	6890		
	Total Financial Expense	6800		33,836
	Total Expenses of Operations Before Depreciation	6000		199,542
	Profit or (Loss) Before Depreciation	5060		39,154
6600	Depreciation Expense (Total)	6601		52,164
	Amortization Expense	6610		
	Operating Profit or Loss	5060		(13,010)
7100	Officer's Salaries	7110		
CORPORATE OR MORTGAGOR EXPENSE	Legal Expense	7120		
	Federal, State and Other Income Taxes	7130		
	Interest Income	7140		
	Interest on Notes Payable	7141		
	Interest on Mortgage Payable	7142		
	Other Expense	7190		
	Net Entity Expenses	7100		0
	NET PROFIT OR (LOSS)	3250		(13,010)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		29,069
	Second Mortgage	9911		
	Other Mortgage(s)	9912		
	Reserve releases to reimburse items expensed on this schedule.	9920		27,201
	Capital expenditures paid from project operations and expensed on this schedule.	9930		

Wisconsin Housing and Economic Development Authority			FORM 800 (Rev.12/05)	
SCHEDULE OF PROFIT AND LOSS for Multifamily Projects				
Project Name: Citywide Housing			Project Number: 011/001167	
Period Beginning: 01/01/14 thru: 12/31/14			Year: 2014	
	Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	125,820	
	Tenant Assistance Payments	5121		
	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170	780	
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190	939	
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		127,539
5200 VACANCIES	Apartment Vacancies	5220	11,905	
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250	4,215	
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290	11,632	
		Total Vacancies or Concessions	5200	
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		99,787
5300	Total Service Income	5300		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	1,346	
	Revenue from Investments-Miscellaneous	5490		
	Total Financial Revenue	5400		1,346
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990	143	
	Total Miscellaneous Revenue	5900		143
	Total Revenue	5000		101,276
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250	608	
		Total Rent Expense		608
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311		
	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322		
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340		
	Audit Expense-project only	6350		
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370	6,631	
	Miscellaneous Administrative Expense	6390	33,987	
		Total Administrative Expense		40,618
6200 + 6300	Total Rent & Administrative Expense	6263		41,226
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	10,426	
	Water	6451	2,264	
	Gas	6452	6,758	
	Sewer	6453	2,974	
	Total Utilities Expense	6400		22,422

	Description of Account	Acct. No.	Amount	Totals	
6500	Payroll	6510	12,164		
OPERATING & MAINTENANCE EXPENSE	Supplies	6515	4,597		
	Contracts	6520			
	Operating and Maintenance Rent Free Unit	6521			
	Garbage & Trash Removal	6525			
	Security Payroll/Contract (incl. taxes and benefits)	6530			
	Security Rent Free Unit	6531			
	Heating/Cooling Repairs & Maintenance	6546			
	Snow Removal	6548			
	Vehicle/Maintenance Equipment Operation & Repairs	6570			
	Misc. Operating & Maintenance Expense	6590	37,282		
	Total Operating & Maintenance Expense	6500		54,043	
	6900	Total Service Expense	6900		0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	0		
	Payroll Taxes (Project's Share)	6711			
	Property & Liability Insurance (Hazard)	6720	5,360		
	Fidelity Bond Insurance	6721			
	Workmen's Compensation	6722			
	Health Insurance and Other Employee Benefits	6723			
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790			
	Total Taxes and Insurance	6700		5,360	
3220	Replacement Reserve Deposits as Required by WHEDA	3220		4,860	
	Total Operating Expenses			127,911	
	Net Operating Income (NOI)			(26,635)	
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	2,033		
	Interest on Notes Payable (Long Term)	6830			
	Interest on Notes Payable (Short Term)	6840			
	Mortgage Insurance Premium/Service Charge	6850			
	Miscellaneous Financial Expense/Preservation Fee	6890			
	Total Financial Expense	6800		2,033	
	Total Expenses of Operations Before Depreciation	6000		129,944	
	Profit or (Loss) Before Depreciation	5060		(28,668)	
6600	Depreciation Expense (Total)	6601		17,014	
	Amortization Expense	6610			
	Operating Profit or Loss	5060		(45,682)	
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110			
	Legal Expense	7120			
	Federal, State and Other Income Taxes	7130			
	Interest Income	7140			
	Interest on Notes Payable	7141			
	Interest on Mortgage Payable	7142			
	Other Expense	7190			
	Net Entity Expenses	7100		0	
	NET PROFIT OR (LOSS)	3250		(45,682)	
TOTAL	WHEDA First Mortgage	9910		15,225	
PRINCIPAL PAYMENTS	Second Mortgage	9911			
	Other Mortgage(s)	9912			
	Reserve releases to reimburse items expensed on this schedule.	9920		0	
	Capital expenditures paid from project operations and expensed on this schedule.	9930			



Wisconsin Housing and Economic Development Authority			FORM 800 (Rev.12/05)	
SCHEDULE OF PROFIT AND LOSS for Multifamily Projects				
Project Name: McKenna Boulevard			Project Number: 011/002687	
Period Beginning: 01/01/14 thru: 12/31/14			Year: 2014	
	Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	31,200	
	Tenant Assistance Payments	5121		
	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190	481	
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		31,681
5200 VACANCIES	Apartment Vacancies	5220	6,847	
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250	600	
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290	(63)	
		Total Vacancies or Concessions	5200	
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		24,297
5300	Total Service Income	5300		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	78	
	Revenue from Investments-Miscellaneous	5490		
	Total Financial Revenue	5400		78
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990	0	
	Total Miscellaneous Revenue	5900		0
	Total Revenue	5000		24,375
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250	8	
		Total Rent Expense		8
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311		
	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322		
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340		
	Audit Expense-project only	6350		
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370	0	
	Miscellaneous Administrative Expense	6390	9,867	
		Total Administrative Expense		9,867
6200 + 6300	Total Rent & Administrative Expense	6263		9,875
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	911	
	Water	6451	718	
	Gas	6452	0	
	Sewer	6453	1,102	
	Total Utilities Expense	6400		2,731

	Description of Account	Acct. No.	Amount	Totals	
6500	Payroll	6510	5,776		
OPERATING & MAINTENANCE EXPENSE	Supplies	6515	0		
	Contracts	6520			
	Operating and Maintenance Rent Free Unit	6521			
	Garbage & Trash Removal	6525			
	Security Payroll/Contract (incl. taxes and benefits)	6530			
	Security Rent Free Unit	6531			
	Heating/Cooling Repairs & Maintenance	6546			
	Snow Removal	6548			
	Vehicle/Maintenance Equipment Operation & Repairs	6570			
	Misc. Operating & Maintenance Expense	6590	6,624		
	Total Operating & Maintenance Expense	6500		12,400	
	6900	Total Service Expense	6900		0
	6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	0	
Payroll Taxes (Project's Share)		6711			
Property & Liability Insurance (Hazard)		6720	1,114		
Fidelity Bond Insurance		6721			
Workmen's Compensation		6722			
Health Insurance and Other Employee Benefits		6723			
Miscellaneous Taxes, Licenses, Permits and Insurance		6790			
Total Taxes and Insurance		6700		1,114	
3220	Replacement Reserve Deposits as Required by WHEDA	3220		1,000	
	Total Operating Expenses			27,120	
	Net Operating Income (NOI)			(2,745)	
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	4,228		
	Interest on Notes Payable (Long Term)	6830			
	Interest on Notes Payable (Short Term)	6840			
	Mortgage Insurance Premium/Service Charge	6850			
	Miscellaneous Financial Expense/Preservation Fee	6890			
	Total Financial Expense	6800		4,228	
	Total Expenses of Operations Before Depreciation	6000		31,348	
	Profit or (Loss) Before Depreciation	5060		(6,973)	
6600	Depreciation Expense (Total)	6601		8,112	
	Amortization Expense	6610			
	Operating Profit or Loss	5060		(15,085)	
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110			
	Legal Expense	7120			
	Federal, State and Other Income Taxes	7130			
	Interest Income	7140			
	Interest on Notes Payable	7141			
	Interest on Mortgage Payable	7142			
	Other Expense	7190			
Net Entity Expenses	7100		0		
	NET PROFIT OR (LOSS)	3250		(15,085)	
TOTAL	WHEDA First Mortgage	9910		6,085	
PRINCIPAL PAYMENTS	Second Mortgage	9911			
	Other Mortgage(s)	9912			
	Reserve releases to reimburse items expensed on this schedule.	9920		0	
	Capital expenditures paid from project operations and expensed on this schedule.	9930			

Wisconsin Housing and Economic Development Authority			FORM 800 (Rev.12/05)	
SCHEDULE OF PROFIT AND LOSS for Multifamily Projects				
Project Name: Spring Street (f/k/a Mills Street)			Project Number: 011/001762	
Period Beginning: 01/01/14 thru: 12/31/14			Year: 2014	
	Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	127,080	
	Tenant Assistance Payments	5121		
	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190	661	
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		127,741
5200 VACANCIES	Apartment Vacancies	5220	11,302	
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250	4,200	
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290	37,788	
		Total Vacancies or Concessions	5200	
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		74,451
5300	Total Service Income	5300		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	819	
	Revenue from Investments-Miscellaneous	5490		
	Total Financial Revenue	5400		819
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990	129,801	
	Total Miscellaneous Revenue	5900		129,801
	Total Revenue	5000		205,071
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250	0	
		Total Rent Expense		0
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311		
	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322		
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340		
	Audit Expense-project only	6350		
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370	3,516	
	Miscellaneous Administrative Expense	6390	32,696	
		Total Administrative Expense		36,212
6200 + 6300	Total Rent & Administrative Expense	6263		36,212
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	14,577	
	Water	6451	2,569	
	Gas	6452	7,715	
	Sewer	6453	3,363	
	Total Utilities Expense	6400		28,224

	Description of Account	Acct. No.	Amount	Totals
6500	Payroll	6510	12,579	
OPERATING & MAINTENANCE EXPENSE	Supplies	6515	4,525	
	Contracts	6520		
	Operating and Maintenance Rent Free Unit	6521		
	Garbage & Trash Removal	6525		
	Security Payroll/Contract (incl. taxes and benefits)	6530		
	Security Rent Free Unit	6531		
	Heating/Cooling Repairs & Maintenance	6546		
	Snow Removal	6548		
	Vehicle/Maintenance Equipment Operation & Repairs	6570		
	Misc. Operating & Maintenance Expense	6590	76,889	
	Total Operating & Maintenance Expense	6500		93,993
	6900	Total Service Expense	6900	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	0	
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	3,773	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	Total Taxes and Insurance	6700		3,773
3220	Replacement Reserve Deposits as Required by WHEDA	3220		7,680
	Total Operating Expenses			169,882
	Net Operating Income (NOI)			35,189
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	13,496	
	Interest on Notes Payable (Long Term)	6830		
	Interest on Notes Payable (Short Term)	6840		
	Mortgage Insurance Premium/Service Charge	6850		
	Miscellaneous Financial Expense/Preservation Fee	6890		
	Total Financial Expense	6800		13,496
	Total Expenses of Operations Before Depreciation	6000		183,378
	Profit or (Loss) Before Depreciation	5060		21,693
6600	Depreciation Expense (Total)	6601		43,855
	Amortization Expense	6610		
	Operating Profit or Loss	5060		(22,162)
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110		
	Legal Expense	7120		
	Federal, State and Other Income Taxes	7130		
	Interest Income	7140		
	Interest on Notes Payable	7141		
	Interest on Mortgage Payable	7142		
	Other Expense	7190		
	Net Entity Expenses	7100		0
	NET PROFIT OR (LOSS)	3250		(22,162)
TOTAL	WHEDA First Mortgage	9910		26,557
PRINCIPAL PAYMENTS	Second Mortgage	9911		
	Other Mortgage(s)	9912		
	Reserve releases to reimburse items expensed on this schedule.	9920		0
	Capital expenditures paid from project operations and expensed on this schedule.	9930		

Wisconsin Housing and Economic Development Authority			FORM 800 (Rev.12/05)		
SCHEDULE OF PROFIT AND LOSS for Multifamily Projects					
Project Name: Pheasant Ridge Trail			Project Number: 011/002688		
Period Beginning: 01/01/14 thru: 12/31/14			Year: 2014		
	Description of Account	Acct. No.	Amount	Totals	
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	117,120		
	Tenant Assistance Payments	5121			
	Rent Revenue - Commercial/Stores @ 100%	5140			
	Rent Revenue - Garage/Parking @ 100%	5170			
	Flexible Subsidy Revenue	5180			
	Miscellaneous Rent Revenue	5190	250		
	Excess Rent	5191			
	Rent Revenue/Insurance	5192			
	Special Claims Revenue	5193			
	Retained Excess Income	5194			
	Total Rent Revenue Potential	5100			117,370
5200 VACANCIES	Apartment Vacancies	5220	2,750		
	Stores/Commercial Vacancies or Concessions	5240			
	Rental Concessions	5250	0		
	Garage/Parking Vacancies or Concessions	5270			
	Miscellaneous	5290	58,148		
	Total Vacancies or Concessions	5200			60,898
	Net Rental Revenue (Rent Revenue less Vacancies)	5152			56,472
5300	Total Service Income	5300			0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410			
	Revenue from Investments-Residual Receipts	5430			
	Revenue from Investments-Replacement Reserve	5440	303		
	Revenue from Investments-Miscellaneous	5490			
	Total Financial Revenue	5400			303
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910			
	Tenant Charges	5920			
	Miscellaneous Revenue	5990	53,304		
	Total Miscellaneous Revenue	5900			53,304
	Total Revenue	5000			110,079
6200 RENT EXPENSE	Conventions and Meetings	6203			
	Management Consultants	6204			
	Advertising/Marketing Expense	6210			
	Other Rent Expense	6250	10		
	Total Rent Expense				10
6300 ADMIN. EXPENSES	Office Salaries	6310			
	Office Expenses	6311			
	Office or Model Apartment Rent	6312			
	Management Fee - Residential Rents	6320			
	Management Fee - Commercial Rents	6321			
	Management Fee - Miscellaneous Income	6322			
	Manager/Superintendent Salaries	6330			
	Administrative Rent-free Unit	6331			
	Legal Expense-project only	6340			
	Audit Expense-project only	6350			
	Bookkeeping Fees/Accounting Services	6351			
	Bad Debt Expense	6370	(102)		
	Miscellaneous Administrative Expense	6390	48,661		
	Total Administrative Expense				48,559
6200 + 6300	Total Rent & Administrative Expense	6263			48,569
6400 UTILITIES EXPENSE	Fuel Oil	6420			
	Electricity	6450	8,248		
	Water	6451	1,710		
	Gas	6452	1,995		
	Sewer	6453	1,112		
	Total Utilities Expense	6400			13,065

	Description of Account	Acct. No.	Amount	Totals	
6500	Payroll	6510	8,366		
OPERATING & MAINTENANCE EXPENSE	Supplies	6515	91		
	Contracts	6520			
	Operating and Maintenance Rent Free Unit	6521			
	Garbage & Trash Removal	6525			
	Security Payroll/Contract (incl. taxes and benefits)	6530			
	Security Rent Free Unit	6531			
	Heating/Cooling Repairs & Maintenance	6546			
	Snow Removal	6548			
	Vehicle/Maintenance Equipment Operation & Repairs	6570			
	Misc. Operating & Maintenance Expense	6590	23,085		
	Total Operating & Maintenance Expense	6500		31,542	
	6900	Total Service Expense	6900		0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	0		
	Payroll Taxes (Project's Share)	6711			
	Property & Liability Insurance (Hazard)	6720	2,515		
	Fidelity Bond Insurance	6721			
	Workmen's Compensation	6722			
	Health Insurance and Other Employee Benefits	6723			
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790			
	Total Taxes and Insurance	6700		2,515	
3220	Replacement Reserve Deposits as Required by WHEDA	3220		4,000	
	Total Operating Expenses			99,691	
	Net Operating Income (NOI)			10,388	
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	7,161		
	Interest on Notes Payable (Long Term)	6830			
	Interest on Notes Payable (Short Term)	6840			
	Mortgage Insurance Premium/Service Charge	6850			
	Miscellaneous Financial Expense/Preservation Fee	6890			
	Total Financial Expense	6800		7,161	
	Total Expenses of Operations Before Depreciation	6000		106,852	
	Profit or (Loss) Before Depreciation	5060		3,227	
6600	Depreciation Expense (Total)	6601		30,381	
	Amortization Expense	6610			
	Operating Profit or Loss	5060		(27,154)	
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110			
	Legal Expense	7120			
	Federal, State and Other Income Taxes	7130			
	Interest Income	7140			
	Interest on Notes Payable	7141			
	Interest on Mortgage Payable	7142			
	Other Expense	7190			
	Net Entity Expenses	7100		0	
	NET PROFIT OR (LOSS)	3250		(27,154)	
TOTAL	WHEDA First Mortgage	9910		9,383	
PRINCIPAL PAYMENTS	Second Mortgage	9911			
	Other Mortgage(s)	9912			
	Reserve releases to reimburse items expensed on this schedule.	9920		0	
	Capital expenditures paid from project operations and expensed on this schedule.	9930			



## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters**

Board of Directors  
Porchlight, Inc. and Subsidiary  
Madison, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Porchlight, Inc. and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2014, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 23, 2015. The financial statements of Porchlight Foundation, Inc. were not audited in accordance with the *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Porchlight, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Porchlight, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Porchlight, Inc.'s internal control.

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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Porchlight, Inc.'s financial statements are free from 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*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of Porchlight, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Porchlight, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

Madison, Wisconsin

June 23, 2015





## **Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance**

Board of Directors  
Porchlight, Inc. and Subsidiary  
Madison, Wisconsin

### **Report on Compliance for Each Major Federal and State Program**

We have audited Porchlight, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on Porchlight Inc.'s major federal and state programs for the year ended December 31, 2014. Porchlight, Inc.'s major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management of Porchlight, Inc. is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for Porchlight, Inc.'s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*, and the *State of Wisconsin Single Audit Guidelines*, issued by the State of Wisconsin Department of Administration. 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 or state program occurred. An audit includes examining, on a test basis, evidence about Porchlight, Inc.'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 on compliance for the major federal and state programs. However, our audit does not provide a legal determination on Porchlight, Inc.'s compliance.

## Opinion on Each Major Federal and State Program

In our opinion, Porchlight, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the year ended December 31, 2014.

## Report on Internal Control Over Compliance

Management of Porchlight, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Porchlight, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program 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 Porchlight, Inc.'s internal control over compliance.

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 or state 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 is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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. However, material weaknesses may exist that have not been identified.

The purpose of this report is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. According, this report is not suitable for any other purpose.



Wipfli LLP

Madison, Wisconsin  
June 23, 2015

# Porchlight, Inc.

## Schedule of Findings and Questioned Costs

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### **A. Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on the consolidated financial statements of Porchlight, Inc. and Subsidiary.
2. There were no material weaknesses or significant deficiencies related to the audit of the consolidated financial statements reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters.
3. No instances of noncompliance material to the consolidated financial statements of Porchlight, Inc. were disclosed during the audit.
4. There were no material weaknesses or significant deficiencies disclosed during the audit of the major federal or state award programs as reported in the Independent Auditor's Report on Compliance For Each Major Federal and State Program and on Internal Control Over Compliance.
5. The auditor's report on compliance for major federal and state award programs for Porchlight, Inc. expresses an unmodified opinion.
6. There were no audit findings relative to the major federal and state award programs for Porchlight, Inc.
7. The program tested as a major federal program was:
  - U.S. Department of Veterans Affairs
    - VA Homeless Providers Grant and Per Diem Program, CFDA #64.024
8. The program tested as a major state program was the Department of Health Services, Homeless Grant.
9. The threshold for distinguishing Federal Type A and B programs was \$300,000.
10. The threshold for distinguishing State Type A and B programs was \$100,000.
11. Porchlight, Inc. was determined to be a low-risk auditee.

### **B. Findings – Financial Statements Audit**

None

# Porchlight, Inc.

## Schedule of Findings and Questioned Costs

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### C. Findings and Questioned Costs – Major Federal Award Programs Audit

**Questioned Costs:** None

**Findings:** None

D. **Prior Year Findings:** None

### E. Other Issues

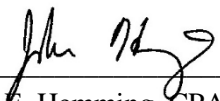
1. Does the auditor's report or the notes to the consolidated financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, reportable condition, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State of Wisconsin Single Audit Guidelines*:

- a. Department of Health Services No
- b. Department of Workforce Development N/A
- c. Department of Corrections N/A
- d. Department of Commerce N/A

3. Was a management letter or other document conveying audit comments issued as a result of this audit? No

4. Name and signature of partner in charge

  
\_\_\_\_\_  
John E. Hemming, CPA  
June 23, 2015

5. Date of report