

# **Porchlight, Inc. and Subsidiary**

Madison, Wisconsin

Consolidated Financial Statements and  
Supplementary Information

Year Ended December 31, 2015

# Porchlight, Inc. and Subsidiary

Consolidated Financial Statements and Supplementary Information  
Year Ended December 31, 2015

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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 statement of financial position as of December 31, 2015, and the related 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 *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 have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Porchlight, Inc. and Subsidiary as of December 31, 2015, 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.

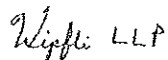
## Other Matters

### ***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 as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State of Wisconsin Single Audit Guideline*, issued by the Wisconsin Department of Administration, the consolidating statements of financial position and activities, the schedule of revenue and expenses by funding source and by contract, the reserve supplemental schedule, the Dane County Department of Human Services provider agency expense report, 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 is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such 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 21, 2016, 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, and 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

Wipfli LLP

June 21, 2016  
Madison, Wisconsin

# Porchlight, Inc. and Subsidiary

Consolidated Statement of Financial Position  
December 31, 2015

<i>Assets</i>	
Current assets:	
Cash	\$ 3,169,939
Investments	223,408
Grants receivable	190,908
Accounts receivable	184,398
Land contract receivable	3,702
Pledges receivable	763,337
Inventory	17,300
Prepaid expenses	89,774
<b>Total current assets</b>	<b>4,642,766</b>
Other assets:	
WHEDA reserves	431,248
Land contract receivable	44,103
Charitable trust receivable, net	90,000
<b>Total other assets</b>	<b>565,351</b>
Property and equipment, net	11,628,157
<b>TOTAL ASSETS</b>	<b>\$ 16,836,274</b>
<i>Liabilities and Net Assets</i>	
Current liabilities:	
Current portion of mortgages payable	\$ 94,328
Current portion of deferred loans payable	3,500
Accounts payable	204,279
Accrued payroll and related expenses	81,970
Deferred revenue	45,070
Grant funds received in advance	10,310
<b>Total current liabilities</b>	<b>439,457</b>
Long-term liabilities:	
Deferred loans payable	3,176,384
Mortgages payable	1,560,977
<b>Total long-term liabilities</b>	<b>4,737,361</b>
<b>Total liabilities</b>	<b>5,176,818</b>
Net assets:	
Unrestricted net assets	
Board designated	1,098,909
Undesignated	6,021,179
<b>Total unrestricted net assets</b>	<b>7,120,088</b>
Temporarily restricted	4,539,368
<b>Total net assets</b>	<b>11,659,456</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 16,836,274</b>

See accompanying notes to consolidated financial statements.

# Porchlight, Inc. and Subsidiary

## Consolidated Statement of Cash Flows Year Ended December 31, 2015

Increase (decrease) in cash:	
Cash flows from operating activities:	
Change in net assets	\$ 2,602,633
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	456,949
Net realized and unrealized loss on investments	4,761
Forgiveness of deferred loan payable	( 3,500)
Gain on sale of property and equipment	( 159,723)
Changes in operating assets and liabilities:	
Grants receivable	( 60,903)
Accounts receivable	( 5,845)
Pledge receivable	( 563,337)
Inventory	( 13,100)
Prepaid expenses	( 18,843)
Accounts payable	31,236
Accrued payroll and related expenses	10,590
Deferred revenue	1,205
Grant funds received in advance	( 1,439)
<b>Net cash provided by operating activities</b>	<b>2,280,684</b>
Cash flows from investing activities:	
Payments on construction in progress	( 1,155,100)
Proceeds from sale of property and equipment	208,360
Proceeds from sale of investments	12,783
Proceeds from sale of condominium	51,034
Withdrawals of WHEDA reserves for improvements	1,655
Deposits to and interest retained in WHEDA reserves	( 30,637)
<b>Net cash used in investing activities</b>	<b>( 911,905)</b>
Cash flows from financing activities:	
Collection of land contract receivable	3,171
Proceeds from deferred loan	170,000
Repayment of deferred loan	( 25,000)
Principal payments on mortgages payable	( 90,216)
<b>Net cash provided by financing activities</b>	<b>57,955</b>
Change in cash	1,426,734
Cash - Beginning of the year	1,743,205
<b>Cash - End of the year</b>	<b>\$ 3,169,939</b>
Supplemental schedule of other cash activity:	
Interest paid and expensed	\$ 58,621

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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

#### **Classification of Net Assets (Continued)**

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.

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.

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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

#### **Accounts Receivable, Land Contract Receivable, and Allowance for Doubtful Accounts (Continued)**

As of December 31, 2015, the Organizations had elected not to record an allowance for doubtful accounts since collection of the entire outstanding receivable balance is expected.

#### **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, 2015, Porchlight, Inc. 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.



# 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) or 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 2015, cash balances for BMO Harris Bank (Charter #1) and First Business Bank 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	\$ 104,438	\$ 104,438
International equity securities	0	30,929	30,929
Fixed Income	0	88,041	88,041
<u>Investment balance</u>	<u>\$ 0</u>	<u>\$ 223,408</u>	<u>\$ 223,408</u>

Investment gain for the year consists of the following:

	<u>Porchlight</u>	<u>Foundation</u>	<u>Total</u>
Interest income	\$ 8,964	\$ 0	\$ 8,964
Dividend income	0	4,717	4,717
Net realized and unrealized gains/losses	936	(5,697)	(4,761)
Gain on sale of donated property held for sale	15,943	0	15,943
<u>Total</u>	<u>\$ 25,843</u>	<u>\$ (980)</u>	<u>\$ 24,863</u>

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

### Note 4 Fair Value Measurements (Continued)

Information regarding the fair value of assets measured at fair value on a recurring basis as of December 31, 2015, 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 equity securities	\$ 104,438	\$ 104,438	\$ 0	\$ 0
International equity securities	30,929	30,929	0	0
Fixed Income	88,041	88,041	0	0
Charitable trust receivable (See Note 8)	90,000	0	0	90,000
<b>Total Assets</b>	<b>\$ 313,408</b>	<b>\$ 223,408</b>	<b>\$ 0</b>	<b>\$ 90,000</b>

The Organizations do 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, 2015.

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 various funding sources as follows:

U.S. Department of Housing & Urban Development	\$ 57,656
U.S. Department of Veterans Affairs	27,595
State of Wisconsin	3,799
County of Dane	6,381
City of Madison	95,477
<b>Total</b>	<b>\$ 190,908</b>

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### Note 9 Property and Equipment

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

Land	\$	1,853,531
Buildings		11,695,804
Building improvements		1,803,587
Leasehold improvements		390,090
Equipment		688,016
Construction in progress		1,165,198
<hr/>		
Total cost		17,596,226
Accumulated depreciation	(	5,968,069)
<hr/>		
Property and equipment, net	\$	11,628,157

### 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 11      Mortgages Payable

Porchlight, Inc. has the following mortgages payable at December 31, 2015:

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:	\$      107,401
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.	295,299
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.	271,705
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.	159,558
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.	330,698
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.	75,887
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.	39,257

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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

In addition to the previously stated mortgages payable, Porchlight, Inc. has a revolving line of credit with BMO Harris Bank for \$200,000, which expires December 1, 2016, and is secured by property at 3710 E Karstens. The line-of-credit agreement has a variable interest rate equal to the prime rate (3.5% at December 31, 2015). No funds were borrowed on the line of credit at December 31, 2015.

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

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

Grant-funded equipment	\$	1,752,252
Commercial kitchen and housing unit development		2,784,060
Small loan fund		3,056
<hr/>		
<u>Total</u>	<u>\$</u>	<u>4,539,368</u>

### 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, 2015, were \$51,522.

### 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 10, 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 \$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.

The deferred loan agreement for Lien 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 4.25% of the current fair market value of the property as determined by an appraiser.

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

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 2015, was \$143,756. Future minimum lease payments for 2016 is \$45,901 and for 2017 is \$5,120.

### Note 16            **Rental Activity**

Porchlight, Inc. rents to individuals that qualify under a variety of programs and to one commercial tenant. The rental income for the year ended December 31, 2015, was \$1,169,577. The majority of program tenants are under annual or shorter rental arrangements.

# **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, 2015

CFDA Number	Program Name	Federal Grantor/Pass-Through Agency	Program Period	Project Number	Grant Award	12/31/2014		12/31/2015		
						Grant Received in Advance	Net Assets	Grant Received in Advance	Net Assets	
						Revenue		Expenses		
						Award/Unds Recognized	Other Revenue & Transfers	Total Revenue Recognized		
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>										
14-231	STABLE Program	City of Madison	07/01/14-06/30/15	JD004-WISESG14	\$ 6,900	\$ 0	\$ 3,450	\$ 3,450	\$ 3,450	\$ 0
14-231	STABLE Program	City of Madison	07/01/14-06/30/15	JD004-WISTHP14	16,400	0	8,031	8,031	8,031	0
14-231	STABLE Program	City of Madison	07/01/15-06/30/16	JD004-WISESG15	6,900	0	4,125	4,125	4,125	0
14-231	STABLE Program	City of Madison	07/01/15-06/30/16	JD004-WISTHP15	16,400	0	8,899	8,899	8,899	0
14-231	DIGS - Eviction Prevention	City of Madison	01/01/15-12/31/15	JM001-RUDESG15	45,618	0	45,618	45,618	45,618	0
14-231	Single Men Outreach	City of Madison	07/01/14-06/30/15	JD004-WISESG14	25,000	0	13,331	13,331	13,331	0
14-231	Single Men Outreach	City of Madison	07/01/15-06/30/16	JD004-WISESG15	25,000	0	12,802	12,802	12,802	0
	<b>Total CFDA #14-231 Emergency Shelter Grant Program</b>					0	96,256	96,256	96,256	0
14-235	Transitional Housing - Operating	U.S. Dept. of HUD	01/01/15-12/31/15	WI0120LS031407	68,416	0	68,416	68,416	68,416	0
14-235	Transitional Housing - Supportive Services	U.S. Dept. of HUD	01/01/15-12/31/15	WI0120LS031407	82,000	0	82,000	82,000	82,000	0
14-235	Transitional Housing - Administration	U.S. Dept. of HUD	01/01/15-12/31/15	WI0120LS031407	7,749	0	7,749	7,749	7,749	0
	<b>Subtotals</b>					0	158,165	158,165	158,165	0
14-235	Salchaven - Operating	U.S. Dept. of HUD	01/01/15-12/31/15	WI0097LS031407	40,718	0	40,718	40,718	40,718	0
14-235	Salchaven - Supportive Services	U.S. Dept. of HUD	01/01/15-12/31/15	WI0097LS031407	289,403	0	289,403	289,403	289,403	0
14-235	Salchaven - Administration	U.S. Dept. of HUD	01/01/15-12/31/15	WI0097LS031407	14,150	0	14,150	14,150	14,150	0
14-235	Salchaven - HRMS	U.S. Dept. of HUD	01/01/15-12/31/15	WI0097LS031407	495	0	495	495	495	0
	<b>Subtotals</b>					0	344,766	344,766	344,766	0
14-235	Pleasant Ridge Trail - Operating	U.S. Dept. of HUD	08/01/14-04/30/15	WI0095LS031306	24,234	0	8,202	8,202	8,202	0
14-235	Pleasant Ridge Trail - Support Services	U.S. Dept. of HUD	08/01/14-04/30/15	WI0095LS031306	25,500	0	8,528	8,528	8,528	0
14-235	Pleasant Ridge Trail - Operating	U.S. Dept. of HUD	08/01/15-04/30/16	WI0095LS031407	24,714	0	16,034	16,034	16,034	0
14-235	Pleasant Ridge Trail - Support Services	U.S. Dept. of HUD	08/01/15-04/30/16	WI0095LS031407	25,500	0	16,962	16,962	16,962	0
14-235	Pleasant Ridge Trail - Administration	U.S. Dept. of HUD	05/01/15-04/30/16	WI0095LS031407	2,417	0	1,542	1,542	1,542	0
	<b>Subtotals</b>					0	51,248	51,248	51,248	0
14-235	Partnership for Transitional Opportunities - Operating	U.S. Dept. of HUD	12/01/14-11/30/15	WI0094LS031306	26,070	0	23,619	23,619	23,619	0
14-235	Partnership for Transitional Opportunities - Support	U.S. Dept. of HUD	12/01/14-11/30/15	WI0094LS031306	75,800	0	69,698	69,698	69,698	0
14-235	Partnership for Transitional Opportunities - Admin	U.S. Dept. of HUD	12/01/14-11/30/15	WI0094LS031306	7,130	0	5,859	5,859	5,859	0
14-235	Partnership for Transitional Opportunities - Operating	U.S. Dept. of HUD	12/01/15-11/30/16	WI0094LS031407	26,070	0	2,812	2,812	2,812	0
14-235	Partnership for Transitional Opportunities - Support	U.S. Dept. of HUD	12/01/15-11/30/16	WI0094LS031407	75,800	0	6,341	6,341	6,341	0
14-235	Partnership for Transitional Opportunities - Admin	U.S. Dept. of HUD	12/01/15-11/30/16	WI0094LS031407	7,130	0	752	752	752	0
	<b>Subtotals</b>					0	109,081	109,081	109,081	0
14-235	Housing First Leasing Project - Operating	U.S. Dept. of HUD	08/01/14-07/31/15	WI0091LS031306	3,378	0	1,851	1,851	1,851	0
14-235	Housing First Leasing Project - Support Services	U.S. Dept. of HUD	08/01/14-07/31/15	WI0091LS031306	19,150	0	12,920	12,920	12,920	0
14-235	Housing First Leasing Project - Leasing	U.S. Dept. of HUD	08/01/14-07/31/15	WI0091LS031306	93,930	0	54,827	54,827	54,827	0
14-235	Housing First Leasing Project - Administrative	U.S. Dept. of HUD	08/01/14-07/31/15	WI0091LS031306	5,823	0	2,820	2,820	2,820	0
14-235	Housing First Leasing Project - Operating	U.S. Dept. of HUD	08/01/15-07/31/16	WI0091LS031407	3,445	0	314	314	314	0
14-235	Housing First Leasing Project - Support Services	U.S. Dept. of HUD	08/01/15-07/31/16	WI0091LS031407	10,150	0	7,852	7,852	7,852	0
14-235	Housing First Leasing Project - Leasing	U.S. Dept. of HUD	08/01/15-07/31/16	WI0091LS031407	98,790	0	39,817	39,817	39,817	0
14-235	Housing First Leasing Project - Administrative	U.S. Dept. of HUD	08/01/15-07/31/16	WI0091LS031407	3,823	0	1,951	1,951	1,951	0
	<b>Subtotals</b>					0	122,852	122,852	122,852	0
14-235	Nakocosa Trail - Operating	U.S. Dept. of HUD	01/01/15-12/31/15	WI0120LS031402	5,555	0	6,110	6,110	6,110	0
14-235	Nakocosa Trail - Support	U.S. Dept. of HUD	01/01/15-12/31/15	WI0120LS031402	7,570	0	7,015	7,015	7,015	0
14-235	Nakocosa Trail - Administration	U.S. Dept. of HUD	01/01/15-12/31/15	WI0120LS031402	650	0	630	630	630	0
	<b>Subtotals</b>					0	13,755	13,755	13,755	0
	<b>Total CFDA #14-235 Supportive Housing Program</b>					0	799,387	799,387	799,387	0
	<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					0	1,248,654	1,248,654	1,248,654	0
<b>DEPARTMENT OF VETERANS AFFAIRS</b>										
64-024	Veterans Transitional Housing	U.S. Dept. of Vet Affairs	01/01/15-12/31/15	08-891-VI	337,011	0	337,011	337,011	337,011	0
<b>DEPARTMENT OF HOMELAND SECURITY</b>										
97-024	Emergency Shelter	Emergency Food and Shelter National Board	06/01/14-06/30/15	912600-016 Phase 32	16,000	0	16,000	16,000	16,000	0
	<b>Total Federal Programs</b>					0	1,248,654	1,248,654	1,248,654	0



# Porchlight, Inc. and Subsidiary

## Consolidating Statement of Financial Position

December 31, 2015

<i>Assets</i>	Porchlight, Inc.	Porchlight Foundation, Inc.	Total
<b>Current assets:</b>			
Cash	\$ 3,150,765	\$ 19,174	\$ 3,169,939
Investments	0	223,408	223,408
Grants receivable	190,908	0	190,908
Accounts receivable	184,398	0	184,398
Land contract receivable	3,702	0	3,702
Pledges receivable	703,337	60,000	763,337
Inventory	17,300	0	17,300
Prepaid expenses	89,774	0	89,774
<b>Total current assets</b>	<b>4,340,184</b>	<b>302,582</b>	<b>4,642,766</b>
<b>Other assets:</b>			
WHEDA reserves	431,248	0	431,248
Land contract receivable	44,103	0	44,103
Charitable trust receivable, net	90,000	0	90,000
<b>Total other assets</b>	<b>565,351</b>	<b>0</b>	<b>565,351</b>
Property and equipment, net	11,628,157	0	11,628,157
<b>TOTAL ASSETS</b>	<b>\$ 16,533,692</b>	<b>\$ 302,582</b>	<b>\$ 16,836,274</b>
<b><i>Liabilities and Net Assets</i></b>			
<b>Current liabilities:</b>			
Current portion of mortgages payable	\$ 94,328	\$ 0	\$ 94,328
Current portion of deferred loans payable	3,500	0	3,500
Accounts payable	204,279	0	204,279
Accrued payroll and related expenses	81,970	0	81,970
Deferred revenue	45,070	0	45,070
Grant funds received in advance	10,310	0	10,310
<b>Total current liabilities</b>	<b>439,457</b>	<b>0</b>	<b>439,457</b>
<b>Long-term liabilities:</b>			
Deferred loans payable	3,176,384	0	3,176,384
Mortgages payable	1,560,977	0	1,560,977
<b>Total long-term liabilities</b>	<b>4,737,361</b>	<b>0</b>	<b>4,737,361</b>
<b>Total liabilities</b>	<b>5,176,818</b>	<b>0</b>	<b>5,176,818</b>
<b>Net assets:</b>			
<b>Unrestricted net assets</b>			
Board designated	1,098,909	0	1,098,909
Undesignated	5,718,597	302,582	6,021,179
<b>Total unrestricted net assets</b>	<b>6,817,506</b>	<b>302,582</b>	<b>7,120,088</b>
Temporarily restricted	4,539,368	0	4,539,368
<b>Total net assets</b>	<b>11,356,874</b>	<b>302,582</b>	<b>11,659,456</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 16,533,692</b>	<b>\$ 302,582</b>	<b>\$ 16,836,274</b>

See Independent Auditor's Report.

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# Porchlight, Inc. and Subsidiary

## Schedule B

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

Year Ended December 31, 2015

	Revenue Source															
	Outreach Prevention		Drop-In Shelter		Emergency Shelter		Transportation Services		Housing Services		School Road CBRF		Hospitality House		Comprehensive Community Services	
	Dane County	Dane County	State of Wisconsin	Total	Dane County	Dane County	Dane County	Dane County	Dane County	Dane County	Dane County	Dane County	Dane County	Dane County	Dane County	Total Programs
<b>Total Revenue</b>	\$ 26,127	\$ 50,304	\$ 59,700	\$ 110,004	\$ 58,848	\$ 39,621	\$ 25,039	\$ 72,000	\$ 149,519	\$ 1,414	\$ 482,572					
<b>EXPENSES</b>																
Program expenses:																
Personnel	26,127	50,304	37,500	87,804	53,752	27,991	25,039	32,300	100,118	2,635	355,766					
Operating	0	0	1,400	1,400	0	11,630	0	17,600	10,880	99	41,609					
Space	0	0	20,800	20,800	0	0	0	22,100	15,317	62	58,279					
Special costs	0	0	0	0	0	0	0	0	0	0	0					
Other expense	0	0	0	0	0	0	0	0	0	0	0					
<b>Total program expenses</b>	<b>26,127</b>	<b>50,304</b>	<b>59,700</b>	<b>110,004</b>	<b>53,752</b>	<b>39,621</b>	<b>25,039</b>	<b>72,000</b>	<b>126,315</b>	<b>2,796</b>	<b>455,654</b>					
Administrative expenses:																
Personnel	0	0	0	0	5,096	0	0	0	18,703	4,600	28,399					
Operating	0	0	0	0	0	0	0	0	4,501	35	4,536					
Space	0	0	0	0	0	0	0	0	0	0	0					
Special costs	0	0	0	0	0	0	0	0	0	0	0					
Other expense	0	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>5,096</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,204</b>	<b>4,635</b>	<b>32,935</b>					
<b>Total Expenses</b>	<b>26,127</b>	<b>50,304</b>	<b>59,700</b>	<b>110,004</b>	<b>58,848</b>	<b>39,621</b>	<b>25,039</b>	<b>72,000</b>	<b>149,519</b>	<b>7,431</b>	<b>488,589</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>\$ 6,017</b>					

DANE COUNTY DEPARTMENT OF HUMAN SERVICES PROVIDER AGENCY EXPENSE REPORT THROUGH: December 31, 2015

Provider Name:	Porchlight, Inc.		Contract #:	82908		*Provider Certified By:	1/22/2016	
Program Name:	Drop-In Shelter		Program Group #:	8065			Date	
	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	40,000		41,125	41,125	40,000			
Taxes	3,600		3,637	3,637	3,600			
Benefits	6,704		5,542	5,542	6,704			
<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>			
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>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.

DANE COUNTY DEPARTMENT OF HUMAN SERVICES PROVIDER AGENCY EXPENSE REPORT THROUGH: December 31, 2015

Provider Name:	Porchlight, Inc.	Contract #:	82908	*Provider Certified By:	1/22/2016	
Program Name:	Housing Services	Program Group #:	8068		Date	
	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	18,500		18,894	18,894	18,500	
Taxes	1,500		1,416	1,416	1,500	
Benefits	5,039		4,729	4,729	5,039	
<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>	
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>25,039</b>	<b>0</b>	<b>25,039</b>	<b>25,039</b>	<b>25,039</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.

DANE COUNTY DEPARTMENT OF HUMAN SERVICES PROVIDER AGENCY EXPENSE REPORT THROUGH: December 31, 2015

Provider Name: Porelight, Inc.	Contract #: 82959	*Provider Certified By:	1/21/2016
Program Name: School Road CBRF	Program Group #:	11082	Date

	I Approved County-Funded Budget	vp 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	33,500		23,822	23,822	23,800	
Taxes	2,800		1,993	1,993	2,000	
Benefits	9,400		6,485	6,485	6,500	
<b>Subtotal A</b>	<b>45,700</b>	<b>0</b>	<b>32,300</b>	<b>32,300</b>	<b>32,300</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	2,100		1,709	1,709	2,100	
Training/Conference	900		900	900	900	
Food/Household Supplies	14,400		14,991	14,991	14,600	
Auto Allowance						
Vehicle Costs						
Other1: misc & bad debts	200					
Other2:						
<b>Subtotal B</b>	<b>17,600</b>	<b>0</b>	<b>17,600</b>	<b>17,600</b>	<b>17,600</b>	<b>0.00%</b>
<b>C. SPACE</b>						
Rent	7,400		7,440	7,440	7,400	
Utilities						
Maintenance						
Mortgage Interest, Depreciation	1,300		11,045	11,045	11,100	
Property Taxes			3,615	3,615	3,600	
<b>Subtotal C</b>	<b>8,700</b>	<b>0</b>	<b>22,100</b>	<b>22,100</b>	<b>22,100</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>						
Other4:						
<b>Subtotal E</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>This section for Audit - DD only.</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>

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

DANE COUNTY DEPARTMENT OF HUMAN SERVICES PROVIDER AGENCY EXPENSE REPORT THROUGH:

December 31, 2015

Provider Name:	Porchlight, Inc.	Contract #:	82755	*Provider Certified By:		Date	1/25/2016
Program Name:	Hospitality House	Program Group #:	8121				

	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	99,400	15,574	80,212	95,786	99,400	
Taxes	8,320	1,225	6,809	8,034	8,320	
Benefits	15,074	1,904	13,097	15,001	15,074	
<b>Subtotal A</b>	<b>122,794</b>	<b>18,703</b>	<b>100,118</b>	<b>118,821</b>	<b>122,794</b>	<b>-3.24%</b>
<b>B. OPERATING</b>						
Insurance	1,600		1,610	1,610	1,600	
Professional Fees	700	492	158	650	700	
Audit	2,500	2,492		2,492	2,500	
Data Processing Fees						
Postage, Office, and Program Sup	2,200	1,115	1,050	2,165	2,200	
Equipment/Furnishings	200		249	249	200	
Depreciation						
Telephone	4,100	268	3,775	4,043	4,100	
Training/Conference						
Food/Household Supplies	4,000		4,038	4,038	4,000	
Auto Allowance						
Vehicle Costs	100	134		134	100	
Other1:						
Other2:						
<b>Subtotal B</b>	<b>15,400</b>	<b>4,501</b>	<b>10,880</b>	<b>15,381</b>	<b>15,400</b>	<b>-0.12%</b>
<b>C. SPACE</b>						
Rent						
Utilities	7,000		6,992	6,992	7,000	
Maintenance	9,500		8,325	8,325	9,500	
Mortgage Interest, Depreciation, Property Taxes						
<b>Subtotal C</b>	<b>16,500</b>	<b>0</b>	<b>15,317</b>	<b>15,317</b>	<b>16,500</b>	<b>-7.17%</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>23,204</b>	<b>126,315</b>	<b>149,519</b>	<b>154,694</b>	<b>-3.35%</b>
<b>TOTAL A THROUGH F</b>	<b>154,694</b>	<b>23,204</b>	<b>126,315</b>	<b>149,519</b>	<b>154,694</b>	<b>-3.35%</b>

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

	Description of Account	Acct. No.	Amount	Totals
6500	Payroll	6510	29,450	
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	2,397	
	Snow Removal	6548	175	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	0	
	Misc. Operating & Maintenance Expense	6590	69,895	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		<b>101,917</b>
6900	<b>Total Service Expense</b>	<b>6900</b>		<b>0</b>
6700	Real Estate & Personal Property Taxes	6710	0	
TAXES AND INSURANCE	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	6,822	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	<b>Total Taxes and Insurance</b>	<b>6700</b>		<b>6,822</b>
3220	Replacement Reserve Deposits as Required by WHEDA	3220		8,400
	<b>Total Operating Expenses</b>			<b>208,023</b>
	<b>Net Operating Income (NOI)</b>			<b>20,946</b>
6800	Interest on Mortgage Payable	6820	31,774	
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		
	<b>Total Financial Expense</b>	<b>6800</b>		<b>31,774</b>
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		<b>239,797</b>
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		<b>(10,828)</b>
6600	Depreciation Expense (Total)	6601		49,497
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>5060</b>		<b>(60,325)</b>
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		
	<b>Net Entity Expenses</b>	<b>7100</b>		<b>0</b>
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		<b>(60,325)</b>
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		31,185
	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		

	Description of Account	Acct. No.	Amount	Totals
6500	Payroll	6510	15,810	
OPERATING & MAINTENANCE EXPENSE	Supplies	6515	5,107	
	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	904	
	Snow Removal	6548	98	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	0	
	Misc. Operating & Maintenance Expense	6590	95,783	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		<b>117,702</b>
6900	<b>Total Service Expense</b>	<b>6900</b>		<b>0</b>
6700	Real Estate & Personal Property Taxes	6710	0	
TAXES AND INSURANCE	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	5,241	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	<b>Total Taxes and Insurance</b>	<b>6700</b>		<b>5,241</b>
3220	Replacement Reserve Deposits as Required by WHEDA	3220		4,860
	<b>Total Operating Expenses</b>			<b>175,213</b>
	<b>Net Operating Income (NOI)</b>			<b>(70,730)</b>
6800	Interest on Mortgage Payable	6820	1,795	
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		
	<b>Total Financial Expense</b>	<b>6800</b>		<b>1,795</b>
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		<b>177,008</b>
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		<b>(72,525)</b>
6600	Depreciation Expense (Total)	6601		16,747
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>6060</b>		<b>(89,272)</b>
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		
	<b>Net Entity Expenses</b>	<b>7100</b>		<b>0</b>
	<b>NET PROFIT OR (LOSS)</b>	<b>3260</b>		<b>(89,272)</b>
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		15,532
	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		



	Description of Account	Acct. No.	Amount	Totals	
6500	Payroll	6510	4,287		
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	12		
	Snow Removal	6548	21		
	Vehicle/Maintenance Equipment Operation & Repairs	6570	0		
	Misc. Operating & Maintenance Expense	6590	6,498		
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		<b>10,818</b>	
	6900	<b>Total Service Expense</b>	<b>6900</b>		<b>0</b>
	6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	0	
Payroll Taxes (Project's Share)		6711			
Property & Liability Insurance (Hazard)		6720	1,055		
Fidelity Bond Insurance		6721			
Workmen's Compensation		6722			
Health Insurance and Other Employee Benefits		6723			
Miscellaneous Taxes, Licenses, Permits and Insurance		6790			
<b>Total Taxes and Insurance</b>		<b>6700</b>		<b>1,055</b>	
3220	Replacement Reserve Deposits as Required by WHEDA	3220		1,000	
	<b>Total Operating Expenses</b>			<b>23,337</b>	
	<b>Net Operating Income (NOI)</b>			<b>3,501</b>	
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	4,074		
	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			
	<b>Total Financial Expense</b>	<b>6800</b>		<b>4,074</b>	
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		<b>27,411</b>	
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		<b>(573)</b>	
6600	Depreciation Expense (Total)	6601		8,112	
	Amortization Expense	6610			
	<b>Operating Profit or Loss</b>	<b>5060</b>		<b>(8,685)</b>	
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			
	<b>Net Entity Expenses</b>	<b>7100</b>		<b>0</b>	
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		<b>(8,685)</b>	
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		6,239	
	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			

	Description of Account	Acct. No.	Amount	Totals
6500	Payroll	6510	14,111	
OPERATING & MAINTENANCE EXPENSE	Supplies	6515	203	
	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	2,053	
	Snow Removal	6548	80	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	692	
	Misc. Operating & Maintenance Expense	6590	92,936	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		<b>110,075</b>
6900	<b>Total Service Expense</b>	<b>6900</b>		<b>0</b>
6700	Real Estate & Personal Property Taxes	6710	0	
TAXES AND INSURANCE	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	3,875	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	<b>Total Taxes and Insurance</b>	<b>6700</b>		<b>3,875</b>
3220	Replacement Reserve Deposits as Required by WHEDA	3220		7,680
	<b>Total Operating Expenses</b>			<b>167,012</b>
	<b>Net Operating Income (NOI)</b>			<b>22,507</b>
6800	Interest on Mortgage Payable	6820	12,414	
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		
	<b>Total Financial Expense</b>	<b>6800</b>		<b>12,414</b>
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		<b>179,426</b>
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		<b>10,093</b>
6600	Depreciation Expense (Total)	6601		44,400
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>5060</b>		<b>(34,307)</b>
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		
	<b>Net Entity Expenses</b>	<b>7100</b>		<b>0</b>
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		<b>(34,307)</b>
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		27,639
	Second Mortgage	9911		
	Other Mortgage(s)	9912		
	Reserve releases to reimburse items expensed on this schedule.	9920		1,655
	Capital expenditures paid from project operations and expensed on this schedule.	9930		

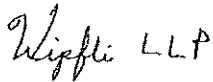
	Description of Account	Acct. No.	Amount	Totals
6500	Payroll	6510	3,811	
OPERATING & MAINTENANCE EXPENSE	Supplies	6515	8,655	
	Contracts	6520		
	Operating and Maintenance Rent Free Unit	6521		
	Garbage & Trash Removal	6525		
	Security Payroll/Contract (incl. taxes and benefits)	6530		
	Security Rent Free Unit	6531		
	Heating/Cooling Repairs & Maintenance	6546	144	
	Snow Removal	6548	60	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	461	
	Misc. Operating & Maintenance Expense	6590	22,080	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		<b>35,211</b>
6900	<b>Total Service Expense</b>	<b>6900</b>		<b>0</b>
6700	Real Estate & Personal Property Taxes	6710	0	
TAXES AND INSURANCE	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	2,445	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	<b>Total Taxes and Insurance</b>	<b>6700</b>		<b>2,445</b>
3220	Replacement Reserve Deposits as Required by WHEDA	3220		4,000
	<b>Total Operating Expenses</b>			<b>106,901</b>
	<b>Net Operating Income (NOI)</b>			<b>4,022</b>
6800	Interest on Mortgage Payable	6820	6,893	
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		
	<b>Total Financial Expense</b>	<b>6800</b>		<b>6,893</b>
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		<b>113,794</b>
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		<b>(2,871)</b>
6600	Depreciation Expense (Total)	6601		29,669
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>5060</b>		<b>(32,540)</b>
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		
	<b>Net Entity Expenses</b>	<b>7100</b>		<b>0</b>
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		<b>(32,540)</b>
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		9,621
	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		

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Porchlight, Inc.'s consolidated 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.

Handwritten signature of Wipfli LLP in cursive script.

Wipfli LLP

June 21, 2016  
Madison, Wisconsin

## 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, 2015.

## 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 the Uniform Guidance, 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 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 material weaknesses or significant deficiencies. 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 on internal control over compliance 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 the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*. According, this report is not suitable for any other purpose.

  
Wipfli LLP

Madison, Wisconsin  
June 21, 2016

# Porchlight, Inc.

## Schedule of Findings and Questioned Costs

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### Section III - Federal and State Award Findings and Questioned Costs

None

### Section IV - Summary Schedule of Prior Year Findings

None

### Section V - Other Issues

Does the auditor's report or the notes to the financial statements include Disclosure with regard to substantial doubt as to the auditee's ability to Continue as a going concern?

No

Does the audit report show audit issues related to grants/contracts with Funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*?

Department of Health Services

No

Department of Workforce Development

N/A

Department of Corrections

N/A

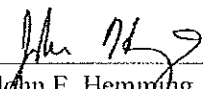
Department of Commerce

N/A

Was a management letter or other document conveying audit comments Issued as a result of this audit?

No

Name and signature of partner in charge

  
\_\_\_\_\_  
John E. Hemming, CPA  
June 21, 2016

Date of report