

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

Consolidated Financial Statements and  
Supplementary Information  
Year Ended December 31, 2016

# Porchlight, Inc. and Subsidiary

## Consolidated Financial Statements and Supplementary Information

Year Ended December 31, 2016

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### Table of Contents

Independent Auditor's Report .....	1
Consolidated Financial Statements	
Consolidated Statement of Financial Position .....	3
Consolidated Statement of Activities.....	4
Consolidated Statement of Cash Flows .....	5
Notes to Consolidated Financial Statements.....	6
Supplementary Information	
Schedule of Expenditures of Federal Awards and Other Financial Assistance.....	22
Consolidating Statement of Financial Position .....	24
Consolidating Statement of Activities .....	25
Schedule of Revenue and Expenses by Funding Source and by Contract .....	26
Reserve Supplemental Schedule .....	27
Dane County Department of Human Services Provider Agency Expense Report .....	28
Schedules of Profit and Loss for Multifamily Projects Required by WHEDA for the Period January 1, 2016 through December 31, 2016:	
Broadview .....	34
Citywide Housing .....	36
McKenna Boulevard .....	38
Spring Street.....	40
Pheasant Ridge Trail .....	42
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters .....	44
Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance .....	46
Schedule of Findings and Questioned Costs.....	48



## **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, 2016, 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, 2016, 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 Guidelines*, 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 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. 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 30, 2017, 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

June 30, 2017  
Madison, Wisconsin

# Porchlight, Inc. and Subsidiary

Consolidated Statement of Financial Position  
December 31, 2016

<i>Assets</i>	
Current assets:	
Cash	\$ 2,750,959
Investments	289,840
Grants receivable	259,672
Accounts receivable	167,356
Land contract receivable	3,739
Pledges receivable	402,216
Inventory	19,600
Prepaid expenses	77,618
<b>Total current assets</b>	<b>3,971,000</b>
Other assets:	
WHEDA reserves	469,204
Land contract receivable	39,870
Charitable trust receivable, net	90,000
<b>Total other assets</b>	<b>599,074</b>
Property and equipment, net	13,930,840
<b>TOTAL ASSETS</b>	<b>\$ 18,500,914</b>
<i>Liabilities and Net Assets</i>	
Current liabilities:	
Current portion of mortgages payable	\$ 98,668
Current portion of deferred loans payable	18,167
Accounts payable	917,243
Accrued payroll and related expenses	115,768
Deferred revenue	52,282
Due to fiscal agent	27,471
Grant funds received in advance	8,897
<b>Total current liabilities</b>	<b>1,238,496</b>
Long-term liabilities:	
Deferred loans payable	3,378,217
Mortgages payable	1,462,309
<b>Total long-term liabilities</b>	<b>4,840,526</b>
<b>Total liabilities</b>	<b>6,079,022</b>
Net assets:	
Unrestricted net assets	
Board designated	618,079
Undesignated	8,377,286
<b>Total unrestricted net assets</b>	<b>8,995,365</b>
Temporarily restricted	3,426,527
<b>Total net assets</b>	<b>12,421,892</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 18,500,914</b>

See accompanying notes to consolidated financial statements.

# Porchlight, Inc. and Subsidiary

## Consolidated Statement of Activities

Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Grant revenue	\$ 2,387,099	\$ 240,000	\$ 2,627,099
Investment gain	24,553	4,291	28,844
Contributions	1,070,101	486,173	1,556,274
Rental income	1,188,487	0	1,188,487
Program fees	8,665	0	8,665
Miscellaneous	90,844	0	90,844
In-kind contributions	439,751	0	439,751
Net assets released from restriction through satisfaction of program restrictions	1,843,305	( 1,843,305)	0
<b>Total revenue</b>	<b>7,052,805</b>	<b>( 1,112,841)</b>	<b>5,939,964</b>
Program expenses:			
Homeless men's drop-in shelter	360,105	0	360,105
Hospitality House	564,190	0	564,190
Safe Haven	460,842	0	460,842
Housing	1,941,025	0	1,941,025
Brooks Street	757,367	0	757,367
In-kind expenses	439,751	0	439,751
<b>Total program expenses</b>	<b>4,523,280</b>	<b>0</b>	<b>4,523,280</b>
Management and general	544,638	0	544,638
Fundraising	109,610	0	109,610
<b>Total management and general, and fund-raising</b>	<b>654,248</b>	<b>0</b>	<b>654,248</b>
<b>Total expenses</b>	<b>5,177,528</b>	<b>0</b>	<b>5,177,528</b>
<b>Change in net assets</b>	<b>1,875,277</b>	<b>( 1,112,841)</b>	<b>762,436</b>
Net assets - Beginning of the year	7,120,088	4,539,368	11,659,456
<b>Net assets - End of the year</b>	<b>\$ 8,995,365</b>	<b>\$ 3,426,527</b>	<b>\$ 12,421,892</b>

See accompanying notes to consolidated financial statements.

# Porchlight, Inc. and Subsidiary

## Consolidated Statement of Cash Flows

Year Ended December 31, 2016

Increase (decrease) in cash:	
Cash flows from operating activities:	
Change in net assets	\$ 762,436
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	446,118
Net realized and unrealized gain on investments	( 6,877)
Bad debt expense	51,554
Forgiveness of deferred loan payable	( 3,500)
Changes in operating assets and liabilities:	
Grants receivable	( 68,764)
Accounts receivable	( 34,512)
Pledge receivable	361,121
Inventory	( 2,300)
Prepaid expenses	12,156
Accounts payable	224,909
Accrued payroll and related expenses	33,798
Deferred revenue	7,212
Due to fiscal agent	27,471
Grant funds received in advance	( 1,413)
Net cash provided by operating activities	1,809,409
Cash flows from investing activities:	
Purchase of property and equipment	( 232,000)
Payments on construction in progress	( 2,028,746)
Proceeds from sale of investments	75,770
Purchase of investments	( 135,325)
Withdrawals of WHEDA reserves for improvements	1,545
Deposits to and interest retained in WHEDA reserves	( 39,501)
Net cash used in investing activities	( 2,358,257)
Cash flows from financing activities:	
Collection of land contract receivable	4,196
Proceeds from deferred loan	220,000
Principal payments on mortgages payable	( 94,328)
Net cash provided by financing activities	129,868
Change in cash	( 418,980)
Cash - Beginning of the year	3,169,939
Cash - End of the year	\$ 2,750,959
<b>Supplemental schedule of other cash activity:</b>	
Interest paid and expensed	\$ 54,272
Accounts payable incurred to obtain property	488,055

# 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 11% 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, Inc. by managing and preserving endowment and long-term assets for the benefit of Porchlight, Inc. Porchlight Foundation, Inc. seeks to develop a fund sufficient to support and sustain Porchlight, Inc. in providing the full continuum of housing and support services for homeless and at risk residents of Dane County with the ultimate goal of helping people help themselves toward independence. The strategy is to reduce homelessness in the Dane County area by providing resources for the development of low-cost housing affordable to those in need as well as support services and a sense of community connected with that housing. The monies collected will serve as an endowment fund for supporting these activities in perpetuity.

#### **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)**

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

#### **Revenue Recognition/Grant Funds Received in Advance (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 Porchlight's grant awards. Porchlight, Inc. received contributions of nonprofessional volunteers during the year with a value of \$173,392 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, 2016, 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, 2016, Porchlight, Inc. 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)**

#### **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 \$1,122,789 at December 31, 2016.

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.

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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

#### **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.

#### **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.

#### **Due to Fiscal Agent**

Porchlight, Inc. manages rental properties for Truax Park Development, Phase 2, LLC (“Truax”). Expenses are paid by Porchlight, Inc. and reimbursed by Truax. The items are recorded to the cash, receivable and liability accounts when necessary.

#### **Subsequent Events**

Subsequent events have been evaluated through June 30, 2017, which is the date the consolidated financial statements were available to be issued.

### **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 2016, cash balances for BMO Harris Bank (Charter #1), UW Credit Union, First Business Bank, Alterra Bank, and Heartland 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.

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### 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	\$ 9,779	\$ 136,754	\$ 146,533
International equity securities	0	38,508	38,508
Fixed income	0	104,799	104,799
<u>Investment balance</u>	<u>\$ 9,779</u>	<u>\$ 280,061</u>	<u>\$ 289,840</u>

Investment gain for the year consists of the following:

	<u>Porchlight</u>	<u>Foundation</u>	<u>Total</u>
Interest income	\$ 12,883	\$ 133	\$ 13,016
Dividend income	1	8,769	8,770
Net realized and unrealized gains/losses	( 84)	6,961	6,877
<u>Gain on sale of donated property held for sale</u>	<u>181</u>	<u>0</u>	<u>181</u>
<u>Total</u>	<u>\$ 12,981</u>	<u>\$ 15,863</u>	<u>\$ 28,844</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:

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.

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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

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 Organizations believe 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, 2016, 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	\$ 146,533	\$ 146,533	\$ 0	\$ 0
International equity securities	38,508	38,508	0	0
Fixed income	104,799	104,799	0	0
Charitable trust receivable (See Note 8)	90,000	0	0	90,000
<b>Total Assets</b>	<b>\$ 379,840</b>	<b>\$ 289,840</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, 2016.

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

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### Note 5: Grants Receivable

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

U.S. Department of Housing & Urban Development	\$	37,169
U.S. Department of Veterans Affairs		33,839
U.S. Department of Homeland Security		1,045
State of Wisconsin		8,850
County of Dane		49,453
City of Madison		129,316
<hr/>		
Total	\$	259,672

### Note 6: WHEDA Reserves

The Wisconsin Housing and Economic Development Authority (WHEDA) reserves of \$469,204 in escrow represent an operating deficit reserve of \$5,589 and replacement reserves of \$463,615 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 \$43,609. 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.

### 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, 2016, was \$90,000, and the amount received in 2016 was \$5,279.

# 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	\$ 2,078,561
Buildings	13,309,035
Building improvements	1,803,587
Leasehold improvements	390,090
Equipment	700,016
<u>Construction in progress</u>	<u>2,063,739</u>
Total cost	20,345,028
<u>Accumulated depreciation</u>	<u>( 6,414,188)</u>
<u>Property and equipment, net</u>	<u>\$ 13,930,840</u>

Porchlight, Inc. is in the process of constructing a new housing complex. See Note 18.

### 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 10 and 15-year periods, respectively. Mifflin Street and Johnson Street loans are to be forgiven in 2020 and 2025, respectively.

Porchlight, Inc. has received a no-interest deferred payment loan from the County of Dane. The funds were for the purchase of Sunfield Street in Sun Prairie. The funds are to be returned to the County of Dane if the property is sold or converted to a use other than stipulated in the County of Dane loan restrictions. The County of Dane has agreed to forgive the loan over a period of 15 years at a rate of 6.67% per year beginning in 2017.



# 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:

South Broom Street	\$ 20,000
Northport Drive	12,500
Sinykin Circle	25,000
North Midvale	82,731
East Washington Avenue	53,750
Russet Road	150,000
North Brooks Street	1,047,961
North 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
Thierer Road	170,000

CDBG deferred forgivable loans:

Drop-In Shelter	3,500
East Johnson Street	214,590
East Mifflin Street	200,200
Sunfield Street	220,000

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Total deferred loans payable	3,396,384
Current portion	18,167

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Long-term portion	\$ 3,378,217
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### Note 11: Mortgages Payable

Porchlight, Inc. has the following mortgages payable at December 31, 2016:

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:

\$ 91,556

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

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### Note 11: Mortgages Payable (Continued)

Porchlight, Inc. has the following mortgages payable at December 31, 2016:

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.	\$ 266,534
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.	261,841
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.	153,161
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.	305,900
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.	70,169
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.	36,316
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.	<u>33,020</u>
Total	1,560,977
Current mortgages payable	( 98,668)
<u>Long-term mortgages payable</u>	<u>\$ 1,462,309</u>

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### Note 11: Mortgages Payable (Continued)

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>
2017	\$ 98,668
2018	103,249
2019	108,088
2020	113,200
2021	118,603
Thereafter	1,019,169
<u>Total</u>	<u>\$ 1,560,977</u>

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, 2017, and is secured by property at 3710 E Karstens. The line-of-credit agreement has a variable interest rate equal to the prime rate (3.45% at December 31, 2016) plus the Index Rate. The Index Rate is defined as the average of the previous month's 13-week Treasury bill auction adjusted on the first business day of each month. The rate at December 31, 2016, was 4.22%. No funds were borrowed on the line of credit at December 31, 2016.

### Note 12: Temporarily Restricted Net Assets

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

Grant-funded equipment	\$ 1,122,789
Federal Home Loan Bank	240,000
Commercial kitchen and housing unit development	2,063,738
<u>Total Temporarily Restricted Net Assets</u>	<u>\$ 3,426,527</u>

Net assets released from restrictions consist of the following:

Capital campaign funded property and equipment placed in service	\$ 1,213,712
Reclass of Brook Street property	568,768
Grant funded equipment activity – additions and depreciation	60,715
<u>Total Released from Restrictions</u>	<u>\$ 1,843,195</u>

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### **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, 2016, were \$46,928.

### **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.

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.

# 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 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.

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 Thierer 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.

Porchlight, Inc. received \$240,000 from the FHLB to construct a property at Thierer Road. In the event that Porchlight, Inc. would sell or convert the use of the property within a 15-year period starting April 1, 2017, 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 2016, was \$140,692. Future minimum lease payments for 2017 is \$74,713.

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### Note 16: Rental Activity

Porchlight, Inc. rents to individuals that qualify under a variety of programs and to three commercial tenants. The majority of program tenants are under annual or shorter rental arrangements. The rental income for the commercial tenants and individuals for the year ended December 31, 2016, was \$10,000 and \$1,178,487, respectively. Future minimum commercial income is as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 29,991
2018	27,000
2019	27,000
2020	27,000
2021	27,000
Thereafter	5,009
<u>Total</u>	<u>\$ 143,000</u>

A summary of rental property is as follows:

	<u>Rental Property</u>
Land	\$ 2,007,061
Buildings	13,148,170
Building improvements	1,742,564
Equipment	478,921
Total cost	17,376,716
Accumulated depreciation	( 5,753,690)
<u>Rental property, net</u>	<u>\$ 11,623,026</u>

### Note 17: Grant Awards

At December 31, 2016, Porchlight, Inc. had commitments under various ongoing grant awards of approximately \$133,000. The revenue relating to these grants is not recognized in the accompanying consolidated financial statements as revenue recognition is conditional on the incurrence of expenditures or the performance of services in the next year.

# Porchlight, Inc. and Subsidiary

## Notes to Consolidated Financial Statements

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### Note 18: Construction Commitment

Porchlight, Inc. is in the process of constructing a new housing complex. Porchlight, Inc. entered into the following contracts:

		Contract Amount	Costs Incurred to Date
McGann Construction, Inc.	Phase 1	\$ 1,668,676	\$ 988,427
McGann Construction, Inc.	Phase 2	1,418,954	1,314,666

As of December 31, 2016, Porchlight, Inc. has recorded \$488,055 in accounts payable for the work completed at December 31, 2016.

# **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, 2016

CFDA Number	Program Name	Federal Grantor/ Pass-Through Agency	Program Period	Project Number	Grant Award	12/31/2015		Revenue			12/31/2016		
						Grant Funds Received in Advance	Net Assets	Award/Funds Recognized	Other Revenue & Transfers	Total Revenue Recognized	Expenses	Grant Funds Received in Advance	Net Assets
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>													
14.231	STABLE Program	City of Madison	07/01/15-06/30/16	JD004-WISTHP15	6,900	\$ 0	\$ 0	\$ 2,775	\$ 0	\$ 2,775	(\$ 2,775)	\$ 0	\$ 0
14.231	STABLE Program	City of Madison	07/01/15-06/30/16	JD004-WISESG15	16,400	0	0	7,501	0	7,501	( 7,501)	0	0
14.231	STABLE Program	City of Madison	07/01/16-06/30/17	JD004-WISTHP16	3,900	0	0	2,042	0	2,042	( 2,042)	0	0
14.231	STABLE Program	City of Madison	07/01/16-06/30/17	JD004-WISESG16	19,400	0	0	7,717	0	7,717	( 7,717)	0	0
14.231	DIGS - Eviction Prevention	City of Madison	01/01/16-12/31/16	JM001-HUDESIG16	57,473	0	0	57,473	0	57,473	( 57,473)	0	0
14.231	Single Men Outreach	City of Madison	07/01/15-06/30/16	JD005-WISESG15	25,000	0	0	12,198	0	12,198	( 12,198)	0	0
14.231	Single Men Outreach	City of Madison	07/01/16-06/30/17	JK004-WISESG16	25,000	0	0	12,500	0	12,500	( 12,500)	0	0
14.231	Rapid ReHousing	City of Madison	07/01/16-06/30/17	DM001-WISESG16	22,000	0	0	10,673	0	10,673	( 10,673)	0	0
<b>Total CFDA #14.231 Emergency Shelter Grant Program</b>						<b>0</b>	<b>0</b>	<b>112,879</b>	<b>0</b>	<b>112,879</b>	<b>( 112,879)</b>	<b>0</b>	<b>0</b>
14.267	Safehaven - Operating	U.S. Dept. of HUD	01/01/16-12/31/16	WI0097L5I031508	40,718	0	0	40,718	0	40,718	( 40,718)	0	0
14.267	Safehaven - Supportive Services	U.S. Dept. of HUD	01/01/16-12/31/16	WI0097L5I031508	289,403	0	0	289,403	0	289,403	( 289,403)	0	0
14.267	Safehaven - Administration	U.S. Dept. of HUD	01/01/16-12/31/16	WI0097L5I031508	14,150	0	0	14,150	0	14,150	( 14,150)	0	0
14.267	Safehaven - HIMS	U.S. Dept. of HUD	01/01/16-12/31/16	WI0097L5I031508	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>
14.267	Pheasant Ridge Trail - Operating	U.S. Dept. of HUD	05/01/15-04/30/16	WI0095L5I031407	24,714	0	0	8,718	0	8,718	( 8,718)	0	0
14.267	Pheasant Ridge Trail - Support Services	U.S. Dept. of HUD	05/01/15-04/30/16	WI0095L5I031407	25,500	0	0	8,500	0	8,500	( 8,500)	0	0
14.267	Pheasant Ridge Trail - Administrative	U.S. Dept. of HUD	05/01/15-04/30/16	WI0095L5I031407	2,417	0	0	875	0	875	( 875)	0	0
14.267	Pheasant Ridge Trail - Operating	U.S. Dept. of HUD	05/01/16-04/30/17	WI0095L5I031508	24,961	0	0	16,190	0	16,190	( 16,190)	0	0
14.267	Pheasant Ridge Trail - Support Services	U.S. Dept. of HUD	05/01/16-04/30/17	WI0095L5I031508	25,500	0	0	17,289	0	17,289	( 17,289)	0	0
14.267	Pheasant Ridge Trail - Administrative	U.S. Dept. of HUD	05/01/16-04/30/17	WI0095L5I031508	2,417	0	0	1,588	0	1,588	( 1,588)	0	0
<b>Subtotals</b>						<b>0</b>	<b>0</b>	<b>53,160</b>	<b>0</b>	<b>53,160</b>	<b>( 53,160)</b>	<b>0</b>	<b>0</b>
14.267	Partnership for Transitional Opportunities - Operating	U.S. Dept. of HUD	12/01/15-11/30/16	WI0094L5I031407	26,070	0	0	30,817	0	30,817	( 30,817)	0	0
14.267	Partnership for Transitional Opportunities - Support	U.S. Dept. of HUD	12/01/15-11/30/16	WI0094L5I031407	75,800	0	0	62,072	0	62,072	( 62,072)	0	0
14.267	Partnership for Transitional Opportunities - Admin	U.S. Dept. of HUD	12/01/15-11/30/16	WI0094L5I031407	7,130	0	0	6,206	0	6,206	( 6,206)	0	0
<b>Subtotals</b>						<b>0</b>	<b>0</b>	<b>99,095</b>	<b>0</b>	<b>99,095</b>	<b>( 99,095)</b>	<b>0</b>	<b>0</b>
14.267	Housing First Leasing Project - Operating	U.S. Dept. of HUD	08/01/15-07/31/16	WI0091L5I031407	3,445	0	0	2,850	0	2,850	( 2,850)	0	0
14.267	Housing First Leasing Project - Support Services	U.S. Dept. of HUD	08/01/15-07/31/16	WI0091L5I031407	19,150	0	0	12,653	0	12,653	( 12,653)	0	0
14.267	Housing First Leasing Project - Leasing	U.S. Dept. of HUD	08/01/15-07/31/16	WI0091L5I031407	95,790	0	0	55,046	0	55,046	( 55,046)	0	0
14.267	Housing First Leasing Project - Administrative	U.S. Dept. of HUD	08/01/15-07/31/16	WI0091L5I031407	5,823	0	0	3,725	0	3,725	( 3,725)	0	0
14.267	Housing First Leasing Project - Operating	U.S. Dept. of HUD	08/01/16-07/31/17	WI0091L5I031508	3,479	0	0	1,971	0	1,971	( 1,971)	0	0
14.267	Housing First Leasing Project - Support Services	U.S. Dept. of HUD	08/01/16-07/31/17	WI0091L5I031508	19,150	0	0	8,486	0	8,486	( 8,486)	0	0
14.267	Housing First Leasing Project - Leasing	U.S. Dept. of HUD	08/01/16-07/31/17	WI0091L5I031508	96,748	0	0	40,116	0	40,116	( 40,116)	0	0
14.267	Housing First Leasing Project - Administrative	U.S. Dept. of HUD	08/01/16-07/31/17	WI0091L5I031508	5,823	0	0	1,995	0	1,995	( 1,995)	0	0
<b>Subtotals</b>						<b>0</b>	<b>0</b>	<b>126,842</b>	<b>0</b>	<b>126,842</b>	<b>( 126,842)</b>	<b>0</b>	<b>0</b>
14.267	Nakoosa Trail - Operating	U.S. Dept. of HUD	01/01/16-12/31/16	WI0120L5I031402	5,665	0	0	6,962	0	6,962	( 6,962)	0	0
14.267	Nakoosa Trail - Support	U.S. Dept. of HUD	01/01/16-12/31/16	WI0120L5I031402	7,570	0	0	5,978	0	5,978	( 5,978)	0	0
14.267	Nakoosa Trail - Administration	U.S. Dept. of HUD	01/01/16-12/31/16	WI0120L5I031402	630	0	0	719	0	719	( 719)	0	0
<b>Subtotals</b>						<b>0</b>	<b>0</b>	<b>13,659</b>	<b>0</b>	<b>13,659</b>	<b>( 13,659)</b>	<b>0</b>	<b>0</b>
<b>Total CFDA #14.267 Continuum of Care Program</b>						<b>0</b>	<b>0</b>	<b>637,522</b>	<b>0</b>	<b>637,522</b>	<b>( 637,522)</b>	<b>0</b>	<b>0</b>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>													
											<b>( 750,401)</b>		
<b>DEPARTMENT OF VETERAN'S AFFAIRS</b>													
64.024	Veterans Transitional Housing Program	U.S. Dept. of Vet Affairs	01/01/16-12/31/17	08-891-WI	341,796	0	0	341,796	0	341,796	( 341,796)	0	0
<b>DEPARTMENT OF HOMELAND SECURITY</b>													
97.024	Emergency Shelter	Emergency Food and Shelter National Board	07/01/15-03/31/17	912600-016 Phase 33	18,000	0	0	10,045	0	10,045	( 10,045)	0	0
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>													
93.778	Comprehensive Community Services	County of Dane	07/01/15-12/31/16	83123	38,956	0	0	37,781	0	37,781	( 37,781)	0	0
<b>Total Federal Programs</b>						<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,140,023</b>	<b>\$ 0</b>	<b>\$ 1,140,023</b>	<b>(\$ 1,140,023)</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, 2016

CFDA Number	Program Name	Federal Grantor/ Pass-Through Agency	Program Period	Project Number	Grant Award	12/31/2015		Revenue				12/31/2016	
						Grant Received in Advance	12/31/2015 Net Assets	Award/Funds Recognized	Other Revenue & Transfers	Total Revenue Recognized	Expenses	Grant Funds Received in Advance	12/31/16 Net Assets
<b>STATE AND LOCAL PROGRAMS</b>													
N/A	Supportive Services/Housing Operations	City of Madison	01/01/16-12/31/16	JD006-MADGPR16	\$ 91,691	\$ 0	\$ 0	\$ 91,691	\$ 0	\$ 91,691	(\$ 91,691)	\$ 0	\$ 0
N/A	Eliminating Barriers to Stable Housing	City of Madison	01/01/16-12/31/16	JM003-MADGPR16	20,834	0	0	20,834	0	20,834	( 20,834)	0	0
N/A	DIGS - Eviction Prevention	City of Madison	01/01/16-12/31/16	JM001-MADGPR16	37,814	0	0	37,814	0	37,814	( 37,814)	0	0
N/A	Street Outreach	City of Madison	01/01/16-12/31/16	JD005-MADGPR16	42,145	0	0	42,145	0	42,145	( 42,145)	0	0
N/A	Shelter Case Manager	City of Madison	01/01/16-12/31/16	JD007-MADGPR16	18,332	0	0	18,332	0	18,332	( 18,332)	0	0
N/A	Central Library Case Management	City of Madison	01/01/16-12/31/16	JK005-MADGPR16	66,199	0	0	66,199	0	66,199	( 66,199)	0	0
N/A	Transit-for-Jobs & Economic Self Sufficiency	City of Madison	01/01/16-12/31/16	N/A	80,000	0	0	80,000	0	80,000	( 80,000)	0	0
N/A	Emergency Overnight Shelter	County of Dane	01/01/16-12/31/16	83303-8066	109,916	0	0	109,916	0	109,916	( 109,916)	0	0
N/A	Transportation Services	County of Dane	01/01/16-12/31/16	83303-8117	44,308	0	0	44,308	0	44,308	( 44,308)	0	0
N/A	Housing Case Management	County of Dane	01/01/16-12/31/16	83303-8138	5,000	0	0	5,000	0	5,000	( 5,000)	0	0
N/A	Housing Case Management	County of Dane	01/01/16-12/31/16	83303-8138	4,250	0	0	4,250	0	4,250	( 4,250)	0	0
N/A	Housing Services	County of Dane	01/01/16-12/31/16	83353-9219	25,214	0	0	25,214	0	25,214	( 25,214)	0	0
N/A	Outreach Prevention	County of Dane	01/01/16-12/31/16	83353-11081	26,310	0	0	26,310	0	26,310	( 26,310)	0	0
N/A	School Road CBRF	County of Dane	01/01/16-12/31/16	83353-11082	132,000	0	0	129,352	0	129,352	( 129,352)	0	0
N/A	Hospitality House	County of Dane	11/01/14-12/31/16	82755-8121	294,794	0	0	140,100	0	140,100	( 140,100)	0	0
N/A	Comprehensive Community Services	County of Dane	07/01/15-12/31/16	83123	27,945	0	0	27,102	( 604)	26,498	( 26,498)	0	0
N/A	Housing Operations	United Way of Dane County	07/01/15-12/31/16	N/A	49,300	0	0	49,300	0	49,300	( 49,300)	0	0
N/A	Housing First for Families	United Way of Dane County	01/01/15-Ongoing	N/A	18,700	404	0	0	0	0	( 404)	0	0
N/A	Housing First for Families	United Way of Dane County	01/01/16-Ongoing	N/A	18,700	0	0	18,700	0	18,700	( 15,292)	3,408	0
N/A	Housing First for Families in Sun Prairie	United Way of Dane County	01/01/16-Ongoing	N/A	38,000	0	0	38,000	0	38,000	( 36,104)	1,896	0
N/A	DIGS	United Way of Dane County	01/01/16-12/31/16	N/A	55,824	0	0	55,824	0	55,824	( 55,824)	0	0
N/A	Hospitality House	United Way of Dane County	01/01/15-12/31/16	N/A	21,000	7,000	0	0	0	0	( 7,000)	0	0
N/A	Hospitality House	United Way of Dane County	01/01/16-12/31/16	N/A	35,000	0	0	35,000	0	35,000	( 35,000)	0	0
N/A	Case Management	United Way of Dane County	01/01/16-12/31/16	N/A	36,100	0	0	36,100	0	36,100	( 36,100)	0	0
N/A	Employment & Life Skills	United Way of Dane County	01/01/16-12/31/16	N/A	15,000	0	0	15,000	0	15,000	( 15,000)	0	0
N/A	SRO Services	United Way of Dane County	01/01/16-12/31/16	N/A	22,000	0	0	22,000	0	22,000	( 22,000)	0	0
N/A	Reducing School Mobility	United Way of Dane County	07/01/15-06/30/16	N/A	14,161	906	0	7,411	0	7,411	( 8,317)	0	0
N/A	Reducing School Mobility	United Way of Dane County	07/01/16-06/30/17	N/A	14,174	0	0	7,082	0	7,082	( 5,739)	1,343	0
N/A	Child House	United Way of Dane County	12/01/15-01/31/16	N/A	1,000	1,000	0	0	0	0	( 1,000)	0	0
N/A	Holiday Gifts	United Way of Dane County	12/01/16-01/31/17	N/A	1,500	0	0	1,500	0	1,500	( 1,500)	1,500	0
N/A	State Shelter Subsidy Grant	State of WI - Dept. of Admin	01/01/16-12/31/16	SSSG 16-32	60,150	0	0	60,150	0	60,150	( 60,150)	0	0
N/A	DIGS emergency assistance	Madison Rotary Foundation	04/01/16-11/30/16	N/A	5,883	0	0	5,883	0	5,883	( 5,883)	0	0
N/A	Summer Camp & Bus Passes	S. Madison Rotary Club	01/01/16-12/31/16	N/A	1,000	1,000	0	0	0	0	( 1,000)	0	0
N/A	Summer Camp & Bus Passes	S. Madison Rotary Club	01/01/17-12/31/17	N/A	750	0	0	750	0	750	( 0)	750	0
N/A	Persons-in-Crisis Housing Program	WHEDA Foundation, Inc.	09/01/16-08/31/17	N/A	25,000	0	0	25,000	0	25,000	( 25,000)	0	0
N/A	Affordable Housing Program	Federal Home Loan Bank	12/01/15-12/31/16	2015A07001	240,000	0	0	240,000	0	240,000	( 240,000)	0	0
N/A	Small Loan Fund	Various	N/A	N/A	N/A	0	3,056	0	( 3,056)	( 3,056)	0	0	0
<b>GENERALLY ACCEPTED ACCOUNTING PRINCIPLE (GAAP) ADJUSTMENTS</b>													
N/A	In-kind	N/A	N/A	N/A	N/A	0	0	0	439,751	439,751	( 439,751)	0	0
N/A	Federal Home Loan Bank	N/A	N/A	N/A	N/A	0	0	0	0	0	( 240,000)	0	240,000
N/A	Grant-Funded Property & Equipment	N/A	N/A	N/A	N/A	0	1,752,252	0	0	0	( 629,483)	0	1,122,769
<b>Total State and Local Programs and GAAP Adjustments</b>						<b>10,310</b>	<b>1,755,308</b>	<b>1,486,267</b>	<b>436,091</b>	<b>1,922,358</b>	<b>( 2,316,310)</b>	<b>8,897</b>	<b>1,362,769</b>
<b>Total Federal, State, and Local Programs</b>						<b>10,310</b>	<b>1,755,308</b>	<b>2,626,290</b>	<b>436,091</b>	<b>3,062,381</b>	<b>( 3,456,333)</b>	<b>8,897</b>	<b>1,362,769</b>
N/A	Organizational Activities	N/A	N/A	N/A	N/A	0	9,904,148	( 604)	2,876,774	2,876,170	( 1,721,195)	0	11,059,123
<b>TOTALS</b>						<b>\$ 10,310</b>	<b>\$ 11,659,456</b>	<b>\$ 2,625,686</b>	<b>\$ 3,312,865</b>	<b>\$ 5,938,551</b>	<b>(\$ 5,177,528)</b>	<b>\$ 8,897</b>	<b>\$ 12,421,892</b>

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

##### Note 1 - Basis of Presentation

The 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, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

##### Note 3 - Subrecipients

No federal grant awards were passed through to subrecipients during the year ended December 31, 2016.

##### Note 4 - Indirect Cost Rate

Porchlight, Inc. has not elected to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

See Independent Auditor's Report.

# Porchlight, Inc. and Subsidiary

## Consolidating Statement of Financial Position

December 31, 2016

<i>Assets</i>	<b>Porchlight, Inc.</b>	<b>Porchlight Foundation, Inc.</b>	<b>Total</b>
<b>Current assets:</b>			
Cash	\$ 2,741,749	\$ 9,210	\$ 2,750,959
Investments	9,779	280,061	289,840
Grants receivable	259,672	0	259,672
Accounts receivable	167,356	0	167,356
Land contract receivable	3,739	0	3,739
Pledges receivable	352,300	49,916	402,216
Inventory	19,600	0	19,600
Prepaid expenses	77,618	0	77,618
<b>Total current assets</b>	<b>3,631,813</b>	<b>339,187</b>	<b>3,971,000</b>
<b>Other assets:</b>			
WHEDA reserves	469,204	0	469,204
Land contract receivable	39,870	0	39,870
Charitable trust receivable, net	90,000	0	90,000
<b>Total other assets</b>	<b>599,074</b>	<b>0</b>	<b>599,074</b>
Property and equipment, net	13,930,840	0	13,930,840
<b>TOTAL ASSETS</b>	<b>\$ 18,161,727</b>	<b>\$ 339,187</b>	<b>\$ 18,500,914</b>
<b><i>Liabilities and Net Assets</i></b>			
<b>Current liabilities:</b>			
Current portion of mortgages payable	\$ 98,668	\$ 0	\$ 98,668
Current portion of deferred loans payable	18,167	0	18,167
Accounts payable	917,243	0	917,243
Accrued payroll and related expenses	115,768	0	115,768
Deferred revenue	52,282	0	52,282
Due to fiscal agent	27,471	0	27,471
Grant funds received in advance	8,897	0	8,897
<b>Total current liabilities</b>	<b>1,238,496</b>	<b>0</b>	<b>1,238,496</b>
<b>Long-term liabilities:</b>			
Deferred loans payable	3,378,217	0	3,378,217
Mortgages payable	1,462,309	0	1,462,309
<b>Total long-term liabilities</b>	<b>4,840,526</b>	<b>0</b>	<b>4,840,526</b>
<b>Total liabilities</b>	<b>6,079,022</b>	<b>0</b>	<b>6,079,022</b>
<b>Net assets:</b>			
<b>Unrestricted net assets</b>			
Board designated	618,079	0	618,079
Undesignated	8,038,099	339,187	8,377,286
<b>Total unrestricted net assets</b>	<b>8,656,178</b>	<b>339,187</b>	<b>8,995,365</b>
Temporarily restricted	3,426,527	0	3,426,527
<b>Total net assets</b>	<b>12,082,705</b>	<b>339,187</b>	<b>12,421,892</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 18,161,727</b>	<b>\$ 339,187</b>	<b>\$ 18,500,914</b>

# Porchlight, Inc. and Subsidiary

Consolidating Statement of Activities  
Year Ended December 31, 2016

	Unrestricted			Temporarily Restricted			Totals
	Porchlight, Inc.	Porchlight Foundation, Inc.	Total	Porchlight, Inc.	Porchlight Foundation, Inc.	Total	
Revenue:							
Grant revenue	\$ 2,387,099	\$ 0	\$ 2,387,099	\$ 240,000	\$ 0	\$ 240,000	\$ 2,627,099
Investment gain	8,690	15,863	24,553	4,291	0	4,291	28,844
Contributions	1,048,445	21,656	1,070,101	486,173	0	486,173	1,556,274
Rental income	1,188,487	0	1,188,487	0	0	0	1,188,487
Program fees	8,665	0	8,665	0	0	0	8,665
Miscellaneous	90,844	0	90,844	0	0	0	90,844
In-kind contributions	439,751	0	439,751	0	0	0	439,751
Net assets released from restriction through satisfaction of program restrictions	1,843,305	0	1,843,305	( 1,843,305)	0	( 1,843,305)	0
<b>Total revenue</b>	<b>7,015,286</b>	<b>37,519</b>	<b>7,052,805</b>	<b>( 1,112,841)</b>	<b>0</b>	<b>( 1,112,841)</b>	<b>5,939,964</b>
Program expenses:							
Homeless men's drop-in shelter	360,105	0	360,105	0	0	0	360,105
Hospitality House	564,190	0	564,190	0	0	0	564,190
Safe Haven	460,842	0	460,842	0	0	0	460,842
Housing	1,941,025	0	1,941,025	0	0	0	1,941,025
Brooks Street	757,367	0	757,367	0	0	0	757,367
In-kind expenses	439,751	0	439,751	0	0	0	439,751
<b>Total program expenses</b>	<b>4,523,280</b>	<b>0</b>	<b>4,523,280</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,523,280</b>
Management and general	543,724	914	544,638	0	0	0	544,638
Fundraising	109,610	0	109,610	0	0	0	109,610
<b>Total management and general and fund-raising</b>	<b>653,334</b>	<b>914</b>	<b>654,248</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>654,248</b>
<b>Total expenses</b>	<b>5,176,614</b>	<b>914</b>	<b>5,177,528</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,177,528</b>
Change in net assets	1,838,672	36,605	1,875,277	( 1,112,841)	0	( 1,112,841)	762,436
Net assets - Beginning of the year	6,817,506	302,582	7,120,088	4,539,368	0	4,539,368	11,659,456
<b>Net assets - End of the year</b>	<b>\$ 8,656,178</b>	<b>\$ 339,187</b>	<b>\$ 8,995,365</b>	<b>\$ 3,426,527</b>	<b>\$ 0</b>	<b>\$ 3,426,527</b>	<b>\$ 12,421,892</b>

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, 2016

	Revenue Source										
	Emergency Overnight Shelter			Transportation Services	Housing Case Management	Housing Services	Outreach Prevention	School Road CBRF	Hospitality House	Comprehensive Community Services	Total Programs
	Dane County	State of Wisconsin	Total	Dane County	Dane County	Dane County	Dane County	Dane County	Dane County	Dane County	
<b>Total Revenue</b>	\$ 109,916	\$ 60,150	\$ 170,066	\$ 44,308	\$ 9,250	\$ 25,214	\$ 26,310	\$ 129,352	\$ 140,100	\$ 65,487	\$ 610,087
<b>EXPENSES</b>											
Program expenses:											
Personnel	97,830	37,941	135,771	33,232	4,250	25,214	26,310	96,000	95,172	47,959	463,908
Operating	0	2,937	2,937	11,076	0	0	0	19,600	11,550	7,935	53,098
Space	0	19,272	19,272	0	0	0	0	7,284	12,358	634	39,548
Special costs	0	0	0	0	5,000	0	0	0	0	0	5,000
Other expense	0	0	0	0	0	0	0	0	0	0	0
<b>Total program expenses</b>	<b>97,830</b>	<b>60,150</b>	<b>157,980</b>	<b>44,308</b>	<b>9,250</b>	<b>25,214</b>	<b>26,310</b>	<b>122,884</b>	<b>119,080</b>	<b>56,528</b>	<b>561,554</b>
Administrative expenses:											
Personnel	12,086	0	12,086	0	0	0	0	5,100	15,820	6,611	39,617
Operating	0	0	0	0	0	0	0	1,368	5,200	1,744	8,312
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>12,086</b>	<b>0</b>	<b>12,086</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,468</b>	<b>21,020</b>	<b>8,355</b>	<b>47,929</b>
<b>Total Expenses</b>	<b>109,916</b>	<b>60,150</b>	<b>170,066</b>	<b>44,308</b>	<b>9,250</b>	<b>25,214</b>	<b>26,310</b>	<b>129,352</b>	<b>140,100</b>	<b>64,883</b>	<b>609,483</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>\$ 604</b>	<b>\$ 604</b>

# Porchlight, Inc. and Subsidiary

## Schedule C

### Reserve Supplemental Schedule

Year Ended December 31, 2016

Total units of services	3,680
Allowable expenses for rate-based service	\$ 64,883
Total revenue for rate-based service	\$ 65,487
Excess (deficiency) revenue over expenses	\$ 604
Total reserve from all prior periods	\$ (6,017)

#### Calculation of reserve and amounts due to purchasers

	First Test					Second Test					Total amount due to purchaser	
	Purchaser's share of total revenue	Purchasers share of excess revenue (deficiency)	Cap on reserve for first test	Amount to add to reserve for this period	Amount due to purchaser from first test	Purchaser's share of reserve from prior periods	Purchaser's share of reserve from all periods	Cap on reserve for second test	Amount of reserve of reserve	Amount due to purchaser from second test		
<u>Purchaser</u>	<u>Revenue from purchaser</u>	<u>share of total revenue</u>	<u>share of excess revenue (deficiency)</u>	<u>Cap on reserve for first test</u>	<u>Amount to add to reserve for this period</u>	<u>Amount due to purchaser from first test</u>	<u>Purchaser's share of reserve from prior periods</u>	<u>Purchaser's share of reserve from all periods</u>	<u>Cap on reserve for second test</u>	<u>Amount of reserve of reserve</u>	<u>Amount due to purchaser from second test</u>	<u>Total amount due to purchaser</u>
Dane County	\$ 65,487	100%	\$ 604	\$ 3,274	\$ 604	\$ -	\$ (6,017)	\$ (5,413)	\$ 6,549	\$ (5,413)	\$ -	\$ -

# Porchlight, Inc. and Subsidiary

## Dane County Department of Human Services Provider Agency Expense Report

Year Ended December 31, 2016

DANE COUNTY DEPARTMENT OF HUMAN SERVICES PROVIDER AGENCY EXPENSE REPORT THROUGH: December 31, 2016

Provider Name:	Porchlight, Inc.	Contract #:	82755	*Provider Certified By:	<i>[Signature]</i>	1/24/2017
Program Name:	Hospitality House	Program Group #:	8121			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	86,500	13,829	74,950	88,779	86,500	
Taxes	7,300	737	6,240	6,977	7,300	
Benefits	17,100	1,254	13,982	15,236	17,100	
Subtotal A	110,900	15,820	95,172	110,992	110,900	0.08%
<b>B OPERATING</b>						
Insurance	1,800	-	1,721	1,721	1,800	
Professional Fees	600	1,815	-	1,815	600	
Audit	3,600	2,583	-	2,583	3,600	
Data Processing Fees		-	-	0	0	
Postage, Office, and Program Sup	2,400	624	1,536	2,160	2,400	
Equipment/Furnishings		-	-	0	0	
Depreciation		-	-	0	0	
Telephone	4,000	-	4,309	4,309	4,000	
Training/Conference		-	-	0	0	
Food/Household Supplies	4,200	-	3,984	3,984	4,200	
Auto Allowance	200	-	-	0	200	
Vehicle Costs		178	-	178	0	
Other1:		-	-	0	0	
Other2:		-	0	0	0	
Subtotal B	16,800	5,200	11,550	16,750	16,800	-0.30%
<b>C SPACE</b>						
Rent		-	-	0	0	
Utilities	7,700	-	7,546	7,546	7,700	
Maintenance	4,700	-	4,812	4,812	4,700	
Mortgage Interest, Depreciation,		-	-	0	0	
Property Taxes		-	-	0	0	
Subtotal C	12,400	0	12,358	12,358	12,400	-0.34%
<b>D SPECIAL COSTS</b>						
Assistance to Individuals		-	-	0	0	
Subtotal D	0	0	0	0	0	#DIV/0!
<b>E OTHER</b>						
Other3:				0	0	
Other4:				0	0	
Subtotal E	0	0	0	0	0	
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						
Subtotal F	0	0	0	0	0	
<b>TOTAL A THROUGH F</b>	<b>140,100</b>	<b>21,020</b>	<b>119,080</b>	<b>140,100</b>	<b>140,100</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.

# Porchlight, Inc. and Subsidiary

## Dane County Department of Human Services Provider Agency Expense Report

Year Ended December 31, 2016

DANE COUNTY DEPARTMENT OF HUMAN SERVICES PROVIDER AGENCY EXPENSE REPORT THROUGH: December 31, 2016

Provider Name:	Porchlight, Inc.	Contract #:	83303	*Provider Certified By:	<i>[Signature]</i>	1/24/2017
Program Name:	Emergency Overnight Shelter	Program Group #:	8066			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	88,400	10,031	80,746	90,777	88,400	
Taxes	7,300	688	6,684	7,372	7,300	
Benefits	14,216	1,367	10,400	11,767	14,216	
<b>Subtotal A</b>	<b>109,916</b>	<b>12,086</b>	<b>97,830</b>	<b>109,916</b>	<b>109,916</b>	<b>0.00%</b>
<b>B OPERATING</b>						
Insurance				0	0	
Professional Fees				0	0	
Audit				0	0	
Data Processing Fees				0	0	
Postage, Office, and Program Supplies				0	0	
Equipment/Furnishings				0	0	
Depreciation				0	0	
Telephone				0	0	
Training/Conference				0	0	
Food/Household Supplies				0	0	
Auto Allowance				0	0	
Vehicle Costs				0	0	
Other1:				0	0	
Other2:				0	0	
<b>Subtotal B</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>C SPACE</b>						
Rent				0	0	
Utilities				0	0	
Maintenance				0	0	
Mortgage Interest, Depreciation,				0	0	
Property Taxes				0	0	
<b>Subtotal C</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>D SPECIAL COSTS</b>						
Assistance to Individuals				0	0	
<b>Subtotal D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>E OTHER</b>						
Other3:				0	0	
Other4:				0	0	
<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>109,916</b>	<b>12,086</b>	<b>97,830</b>	<b>109,916</b>	<b>109,916</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.



# Porchlight, Inc. and Subsidiary

## Dane County Department of Human Services Provider Agency Expense Report

Year Ended December 31, 2016

DANE COUNTY DEPARTMENT OF HUMAN SERVICES PROVIDER AGENCY EXPENSE REPORT THROUGH: December 31, 2016

<b>Provider Name:</b>	Porchlight, Inc.	<b>Contract #:</b>	83303	<b>*Provider Certified By:</b>	<i>Jan O'Bay</i>	1/24/2017
<b>Program Name:</b>	Transportation Services	<b>Program Group #:</b>	8117			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	26,900		25,295	25,295	26,900	
Taxes	2,300		2,065	2,065	2,300	
Benefits	3,208		5,872	5,872	3,208	
<b>Subtotal A</b>	<b>32,408</b>	<b>0</b>	<b>33,232</b>	<b>33,232</b>	<b>32,408</b>	<b>2.54%</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	11,900		11,076	11,076	11,900	
Other1:						
Other2:						
<b>Subtotal B</b>	<b>11,900</b>	<b>0</b>	<b>11,076</b>	<b>11,076</b>	<b>11,900</b>	<b>-6.92%</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>This section for Adult - 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>44,308</b>	<b>0</b>	<b>44,308</b>	<b>44,308</b>	<b>44,308</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.

# Porchlight, Inc. and Subsidiary

## Dane County Department of Human Services Provider Agency Expense Report

Year Ended December 31, 2016

DANE COUNTY DEPARTMENT OF HUMAN SERVICES PROVIDER AGENCY EXPENSE REPORT THROUGH: December 31, 2016

Provider Name:	Porchlight, Inc.	Contract #:	83353	*Provider Certified By:	<i>David Barry</i>	1/24/2017
Program Name:	Housing Services	Program Group #:	9219			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	19,100		19,455	19,455	19,100	
Taxes	1,500		1,521	1,521	1,500	
Benefits	4,614		4,238	4,238	4,614	
Subtotal A	25,214	0	25,214	25,214	25,214	0.00%
<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:						
Subtotal B	0	0	0	0	0	
<b>C SPACE</b>						
Rent						
Utilities						
Maintenance						
Mortgage Interest, Depreciation, Property Taxes						
Subtotal C	0	0	0	0	0	
<b>D SPECIAL COSTS</b>						
Assistance to Individuals						
Subtotal D	0	0	0	0	0	
<b>E OTHER</b>						
Other3:						
Other4:						
Subtotal E	0	0	0	0	0	
<b>F. OFF-SETTING REVENUE</b> Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
Subtotal F	0	0	0	0	0	
<b>TOTAL A THROUGH F</b>	25,214	0	25,214	25,214	25,214	0.00%

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

# Porchlight, Inc. and Subsidiary

## Dane County Department of Human Services Provider Agency Expense Report

Year Ended December 31, 2016

DANE COUNTY DEPARTMENT OF HUMAN SERVICES PROVIDER AGENCY EXPENSE REPORT THROUGH: December 31, 2016

Provider Name:	Porchlight, Inc.	Contract #:	83353	*Provider Certified By:	<i>Jaw DB</i>	1/24/2017
Program Name:	Outreach Prevention	Program Group #:	11081			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	22,400		22,440	22,440	22,400	
Taxes	2,000		1,859	1,859	2,000	
Benefits	1,910		2,011	2,011	1,910	
<b>Subtotal A</b>	<b>26,310</b>	<b>0</b>	<b>26,310</b>	<b>26,310</b>	<b>26,310</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						
Other:						
<b>Subtotal B</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/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>#DIV/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>						
Other:						
<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>26,310</b>	<b>0</b>	<b>26,310</b>	<b>26,310</b>	<b>26,310</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.

# Porchlight, Inc. and Subsidiary

## Dane County Department of Human Services Provider Agency Expense Report

Year Ended December 31, 2016

DANE COUNTY DEPARTMENT OF HUMAN SERVICES PROVIDER AGENCY EXPENSE REPORT THROUGH: December 31, 2016

Provider Name:	Porchlight, Inc.	Contract #:	83353	*Provider Certified By:	<i>[Signature]</i>	1/25/2017
Program Name:	School Road CBRF	Program Group #:	11082			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	79,000	3,801	73,184	76,985	79,000	
Taxes	6,200	287	5,452	5,739	6,200	
Benefits	15,900	1,012	17,364	18,376	15,900	
<b>Subtotal A</b>	<b>101,100</b>	<b>5,100</b>	<b>96,000</b>	<b>101,100</b>	<b>101,100</b>	<b>0.00%</b>
<b>B OPERATING</b>						
Insurance	2,700		2,564	2,564	2,700	
Professional Fees	100	187		187	100	
Audit	400	342		342	400	
Data Processing Fees						
Postage, Office, and Program Sup	100	320		320	100	
Equipment/Furnishings						
Depreciation						
Telephone	1,800		1,810	1,810	1,800	
Training/Conference	200	350		350	200	
Food/Household Supplies	15,000		15,226	15,226	15,000	
Auto Allowance					0	
Vehicle Costs						
Other1: misc & bad debts	668	169		169	668	
Other2:						
<b>Subtotal B</b>	<b>20,968</b>	<b>1,368</b>	<b>19,600</b>	<b>20,968</b>	<b>20,968</b>	<b>0.00%</b>
<b>C SPACE</b>						
Rent				0	0	
Utilities	4,200		3,356	3,356	4,200	
Maintenance	3,084		3,928	3,928	3,084	
Mortgage Interest, Depreciation				0	0	
Property Taxes					0	
<b>Subtotal C</b>	<b>7,284</b>	<b>0</b>	<b>7,284</b>	<b>7,284</b>	<b>7,284</b>	<b>0.00%</b>
<b>D SPECIAL COSTS</b>						
Assistance to Individuals			0	0	0	
<b>Subtotal D</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
<b>E OTHER</b>						
Other4:					0	
<b>Subtotal E</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>This section for Adult - DD only.</b>						
<b>F. OFF-SETTING REVENUE</b>						
Show as negative numbers:					0	
Government Benefits (SSI, SSDI)	0		0	0	0	
Private Pay (Trust Funds, etc.)	0		0	0	0	
Cost Share	0		0	0	0	
Other	0		0	0	0	
<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>129,352</b>	<b>6,468</b>	<b>122,884</b>	<b>129,352</b>	<b>129,352</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.

# Porchlight, Inc. and Subsidiary

Schedules of Profit and Loss for Multifamily Projects Required by WHEDA

For the Period January 1, 2016 - December 31, 2016

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: 01/01/16 thru: 12/31/16		Year: 2016		
	Description of Account	Acct. No.	Amount	Totals
5100	Rent Revenue - Gross Potential	5120	256,140	
RENTAL	Tenant Assistance Payments	5121		
REVENUE	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190	2,978	
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		259,118
5200	Apartment Vacancies	5220	22,713	
VACANCIES	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250	8,152	
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290	(1,069)	
	<b>Total Vacancies or Concessions</b>	<b>5200</b>		29,796
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		229,322
5300	<b>Total Service Income</b>	<b>5300</b>		0
5400	Financial Revenue - Project Operations	5410		
FINANCIAL	Revenue from Investments-Residual Receipts	5430		
REVENUE	Revenue from Investments-Replacement Reserve	5440	1,192	
	Revenue from Investments-Miscellaneous	5490		
	<b>Total Financial Revenue</b>	<b>5400</b>		1,192
5900	Laundry/Vending Income (Net)	5910		
MISC.	Tenant Charges	5920		
REVENUE	Miscellaneous Revenue	5990	815	
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		815
	<b>Total Revenue</b>	<b>5000</b>		231,329
6200	Conventions and Meetings	6203		
RENT	Management Consultants	6204		
EXPENSE	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250	(796)	
	<b>Total Rent Expense</b>		(796)	
6300	Office Salaries	6310		
ADMIN.	Office Expenses	6311		
EXPENSES	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	17,485	
	Miscellaneous Administrative Expense	6390	83,576	
	<b>Total Administrative Expense</b>		101,061	
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		100,265

## Porchlight, Inc. and Subsidiary

Schedules of Profit and Loss for Multifamily Projects Required by WHEDA (Continued)

For the Period January 1, 2016 - December 31, 2016

6400	Fuel Oil	6420		
UTILITIES EXPENSE	Electricity	6450	7,415	
	Water	6451	4,366	
	Gas	6452	2,854	
	Sewer	6453	5,915	
	<b>Total Utilities Expense</b>	<b>6400</b>		20,550
	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	22,375	
	Supplies	6515	0	
	Contracts	6520		
	Operating and Maintenance Rent Free Unit	6521		
	Garbage & Trash Removal	6525	4,411	
	Security Payroll/Contract (incl. taxes and benefits)	6530		
	Security Rent Free Unit	6531		
	Heating/Cooling Repairs & Maintenance	6546	1,389	
	Snow Removal	6548	212	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	0	
	Misc. Operating & Maintenance Expense	6590	37,933	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		66,320
6900	<b>Total Service Expense</b>	<b>6900</b>		0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	0	
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	6,576	
	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>		6,576
3220	Replacement Reserve Deposits as Required by WHEDA	3220		8,400
	<b>Total Operating Expenses</b>			202,111
	<b>Net Operating Income (NOI)</b>			29,218
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	30,364	
	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>		30,364
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		232,475
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		(1,146)
6600	Depreciation Expense (Total)	6601		49,400
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>5060</b>		(50,546)
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>		0
	NET PROFIT OR (LOSS)	<b>3250</b>		(50,546)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		33,456
	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		

# Porchlight, Inc. and Subsidiary

Schedules of Profit and Loss for Multifamily Projects Required by WHEDA (Continued)

For the Period January 1, 2016 - December 31, 2016

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: 01/01/16 thru: 12/31/16		Year: 2016		
	Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	131,220	
	Tenant Assistance Payments	5121		
	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170	0	
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190	1,166	
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		132,386
5200 VACANCIES	Apartment Vacancies	5220	16,781	
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250	4,470	
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290	5,763	
		<b>Total Vacancies or Concessions</b>	<b>5200</b>	
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		105,372
5300	<b>Total Service Income</b>	<b>5300</b>		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	2,128	
	Revenue from Investments-Miscellaneous	5490		
		<b>Total Financial Revenue</b>	<b>5400</b>	
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990	102	
		<b>Total Miscellaneous Revenue</b>	<b>5900</b>	
	<b>Total Revenue</b>	<b>5000</b>		107,602
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250	(452)	
		<b>Total Rent Expense</b>		(452)
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	26,085	
	Miscellaneous Administrative Expense	6390	31,987	
	<b>Total Administrative Expense</b>		58,072	
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		57,620

## Porchlight, Inc. and Subsidiary

Schedules of Profit and Loss for Multifamily Projects Required by WHEDA (Continued)

For the Period January 1, 2016 - December 31, 2016

6400	Fuel Oil	6420		
UTILITIES EXPENSE	Electricity	6450	9,990	
	Water	6451	2,315	
	Gas	6452	3,365	
	Sewer	6453	3,099	
	<b>Total Utilities Expense</b>	<b>6400</b>		18,769
	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	13,644	
	Supplies	6515	40	
	Contracts	6520		
	Operating and Maintenance Rent Free Unit	6521		
	Garbage & Trash Removal	6525	1,672	
	Security Payroll/Contract (incl. taxes and benefits)	6530		
	Security Rent Free Unit	6531		
	Heating/Cooling Repairs & Maintenance	6546	916	
	Snow Removal	6548	162	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	511	
	Misc. Operating & Maintenance Expense	6590	26,919	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		43,864
	6900	<b>Total Service Expense</b>	<b>6900</b>	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	0	
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	5,064	
	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>		5,064
3220	Replacement Reserve Deposits as Required by WHEDA	3220		4,860
	<b>Total Operating Expenses</b>			130,177
	<b>Net Operating Income (NOI)</b>			(22,575)
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	2,003	
	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>		2,003
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		132,180
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		(24,578)
6600	Depreciation Expense (Total)	6601		17,755
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>5060</b>		(42,333)
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>		0
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		(42,333)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		15,846
	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		



# Porchlight, Inc. and Subsidiary

Schedules of Profit and Loss for Multifamily Projects Required by WHEDA (Continued)

For the Period January 1, 2016 - December 31, 2016

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: 01/01/16 thru: 12/31/16		Year: 2016		
	Description of Account	Acct. No.	Amount	Totals
5100	Rent Revenue - Gross Potential	5120	31,200	
RENTAL	Tenant Assistance Payments	5121		
REVENUE	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190	0	
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		31,200
5200	Apartment Vacancies	5220	0	
VACANCIES	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250	900	
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290	0	
	<b>Total Vacancies or Concessions</b>	<b>5200</b>		900
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		30,300
5300	<b>Total Service Income</b>	<b>5300</b>		0
5400	Financial Revenue - Project Operations	5410		
FINANCIAL	Revenue from Investments-Residual Receipts	5430		
REVENUE	Revenue from Investments-Replacement Reserve	5440	(145)	
	Revenue from Investments-Miscellaneous	5490		
	<b>Total Financial Revenue</b>	<b>5400</b>		(145)
5900	Laundry/Vending Income (Net)	5910		
MISC.	Tenant Charges	5920		
REVENUE	Miscellaneous Revenue	5990	0	
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		0
	<b>Total Revenue</b>	<b>5000</b>		30,155
6200	Conventions and Meetings	6203		
RENT	Management Consultants	6204		
EXPENSE	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250	0	
	<b>Total Rent Expense</b>		0	
6300	Office Salaries	6310		
ADMIN.	Office Expenses	6311		
EXPENSES	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	850	
	Miscellaneous Administrative Expense	6390	10,286	
	<b>Total Administrative Expense</b>		11,136	
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		11,136

## Porchlight, Inc. and Subsidiary

Schedules of Profit and Loss for Multifamily Projects Required by WHEDA (Continued)

For the Period January 1, 2016 - December 31, 2016

6400	Fuel Oil	6420		
UTILITIES	Electricity	6450	624	
EXPENSE	Water	6451	683	
	Gas	6452	0	
	Sewer	6453	1,007	
	<b>Total Utilities Expense</b>	<b>6400</b>		2,314
	Description of Account	Acct. No.	Amount	Totals
6500	Payroll	6510	3,917	
OPERATING &	Supplies	6515	0	
MAINTENANCE	Contracts	6520		
EXPENSE	Operating and Maintenance Rent Free Unit	6521		
	Garbage & Trash Removal	6525	38	
	Security Payroll/Contract (incl. taxes and benefits)	6530		
	Security Rent Free Unit	6531		
	Heating/Cooling Repairs & Maintenance	6546	12	
	Snow Removal	6548	23	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	0	
	Misc. Operating & Maintenance Expense	6590	4,276	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		8,265
6900	<b>Total Service Expense</b>	<b>6900</b>		0
6700	Real Estate & Personal Property Taxes	6710	0	
TAXES AND	Payroll Taxes (Project's Share)	6711		
INSURANCE	Property & Liability Insurance (Hazard)	6720	1,008	
	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>		1,008
3220	Replacement Reserve Deposits as Required by WHEDA	3220		1,000
	<b>Total Operating Expenses</b>			23,723
	<b>Net Operating Income (NOI)</b>			6,432
6800	Interest on Mortgage Payable	6820	3,916	
FINANCIAL	Interest on Notes Payable (Long Term)	6830		
EXPENSE	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>		3,916
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		27,639
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		2,516
6600	Depreciation Expense (Total)	6601		8,112
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>5060</b>		(5,596)
7100	Officer's Salaries	7110		
CORPORATE	Legal Expense	7120		
OR	Federal, State and Other Income Taxes	7130		
MORTGAGOR	Interest Income	7140		
EXPENSE	Interest on Notes Payable	7141		
	Interest on Mortgage Payable	7142		
	Other Expense	7190		
	<b>Net Entity Expenses</b>	<b>7100</b>		0
	NET PROFIT OR (LOSS)	<b>3250</b>		(5,596)
TOTAL	WHEDA First Mortgage	9910		6,397
PRINCIPAL	Second Mortgage	9911		
PAYMENTS	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		

# Porchlight, Inc. and Subsidiary

Schedules of Profit and Loss for Multifamily Projects Required by WHEDA (Continued)

For the Period January 1, 2016 - December 31, 2016

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: 01/01/16 thru: 12/31/16		Year: 2016		
	Description of Account	Acct. No.	Amount	Totals
5100	Rent Revenue - Gross Potential	5120	127,080	
RENTAL	Tenant Assistance Payments	5121		
REVENUE	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190	120	
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		127,200
5200	Apartment Vacancies	5220	8,750	
VACANCIES	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250	3,301	
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290	36,122	
	<b>Total Vacancies or Concessions</b>	<b>5200</b>		48,173
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		79,027
5300	<b>Total Service Income</b>	<b>5300</b>		0
5400	Financial Revenue - Project Operations	5410		
FINANCIAL	Revenue from Investments-Residual Receipts	5430		
REVENUE	Revenue from Investments-Replacement Reserve	5440	1,423	
	Revenue from Investments-Miscellaneous	5490		
	<b>Total Financial Revenue</b>	<b>5400</b>		1,423
5900	Laundry/Vending Income (Net)	5910		
MISC.	Tenant Charges	5920		
REVENUE	Miscellaneous Revenue	5990	137,762	
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		137,762
	<b>Total Revenue</b>	<b>5000</b>		218,212
6200	Conventions and Meetings	6203		
RENT	Management Consultants	6204		
EXPENSE	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250	0	
	<b>Total Rent Expense</b>		0	
6300	Office Salaries	6310		
ADMIN.	Office Expenses	6311		
EXPENSES	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	7,134	
	Miscellaneous Administrative Expense	6390	19,233	
	<b>Total Administrative Expense</b>		26,367	
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		26,367

## Porchlight, Inc. and Subsidiary

Schedules of Profit and Loss for Multifamily Projects Required by WHEDA (Continued)

For the Period January 1, 2016 - December 31, 2016

6400	Fuel Oil	6420		
UTILITIES EXPENSE	Electricity	6450	16,519	
	Water	6451	2,359	
	Gas	6452	4,668	
	Sewer	6453	2,944	
	<b>Total Utilities Expense</b>	<b>6400</b>		26,490
	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	16,604	
	Supplies	6515	526	
	Contracts	6520		
	Operating and Maintenance Rent Free Unit	6521		
	Garbage & Trash Removal	6525	2,134	
	Security Payroll/Contract (incl. taxes and benefits)	6530		
	Security Rent Free Unit	6531		
	Heating/Cooling Repairs & Maintenance	6546	1,550	
	Snow Removal	6548	139	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	932	
	Misc. Operating & Maintenance Expense	6590	90,620	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		112,505
6900	<b>Total Service Expense</b>	<b>6900</b>		0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	0	
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	4,552	
	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>		4,552
3220	Replacement Reserve Deposits as Required by WHEDA	3220		7,680
	<b>Total Operating Expenses</b>			177,594
	<b>Net Operating Income (NOI)</b>			40,618
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	11,288	
	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>		11,288
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		188,882
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		29,330
6600	Depreciation Expense (Total)	6601		45,638
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>5060</b>		(16,308)
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>		0
	NET PROFIT OR (LOSS)	<b>3250</b>		(16,308)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		28,766
	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		

# Porchlight, Inc. and Subsidiary

Schedules of Profit and Loss for Multifamily Projects Required by WHEDA (Continued)

For the Period January 1, 2016 - December 31, 2016

Wisconsin Housing and Economic Development Authority			FORM 800 (Rev.12/05)	
<b>SCHEDULE OF PROFIT AND LOSS for Multifamily Projects</b>				
Project Name: Pheasant Ridge Trail			Project Number: 011/002688	
Period Beginning: 01/01/16 thru: 12/31/16			Year: 2016	
	Description of Account	Acct. No.	Amount	Totals
5100	Rent Revenue - Gross Potential	5120	117,120	
RENTAL	Tenant Assistance Payments	5121		
REVENUE	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190	0	
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	<b>Total Rent Revenue Potential</b>	<b>5100</b>		117,120
5200	Apartment Vacancies	5220	2,440	
VACANCIES	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250	0	
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290	55,685	
	<b>Total Vacancies or Concessions</b>	<b>5200</b>		58,125
	<b>Net Rental Revenue (Rent Revenue less Vacancies)</b>	<b>5152</b>		58,995
5300	<b>Total Service Income</b>	<b>5300</b>		0
5400	Financial Revenue - Project Operations	5410		
FINANCIAL	Revenue from Investments-Residual Receipts	5430		
REVENUE	Revenue from Investments-Replacement Reserve	5440	624	
	Revenue from Investments-Miscellaneous	5490		
	<b>Total Financial Revenue</b>	<b>5400</b>		624
5900	Laundry/Vending Income (Net)	5910		
MISC.	Tenant Charges	5920		
REVENUE	Miscellaneous Revenue	5990	54,401	
	<b>Total Miscellaneous Revenue</b>	<b>5900</b>		54,401
	<b>Total Revenue</b>	<b>5000</b>		114,020
6200	Conventions and Meetings	6203		
RENT	Management Consultants	6204		
EXPENSE	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250	1	
	<b>Total Rent Expense</b>		<b>1</b>	
6300	Office Salaries	6310		
ADMIN.	Office Expenses	6311		
EXPENSES	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	51,826	
	<b>Total Administrative Expense</b>		<b>51,826</b>	
6200 + 6300	<b>Total Rent &amp; Administrative Expense</b>	<b>6263</b>		51,827

## Porchlight, Inc. and Subsidiary

Schedules of Profit and Loss for Multifamily Projects Required by WHEDA (Continued)

For the Period January 1, 2016 - December 31, 2016

6400	Fuel Oil	6420		
UTILITIES	Electricity	6450	6,661	
EXPENSE	Water	6451	1,719	
	Gas	6452	1,292	
	Sewer	6453	1,233	
	<b>Total Utilities Expense</b>	<b>6400</b>		10,905
	Description of Account	Acct. No.	Amount	Totals
6500	Payroll	6510	5,735	
OPERATING &	Supplies	6515	710	
MAINTENANCE	Contracts	6520		
EXPENSE	Operating and Maintenance Rent Free Unit	6521		
	Garbage & Trash Removal	6525	1,641	
	Security Payroll/Contract (incl. taxes and benefits)	6530		
	Security Rent Free Unit	6531		
	Heating/Cooling Repairs & Maintenance	6546	19	
	Snow Removal	6548	61	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	621	
	Misc. Operating & Maintenance Expense	6590	36,234	
	<b>Total Operating &amp; Maintenance Expense</b>	<b>6500</b>		45,021
6900	<b>Total Service Expense</b>	<b>6900</b>		0
6700	Real Estate & Personal Property Taxes	6710	0	
TAXES AND	Payroll Taxes (Project's Share)	6711		
INSURANCE	Property & Liability Insurance (Hazard)	6720	2,384	
	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>		2,384
3220	Replacement Reserve Deposits as Required by WHEDA	3220		4,000
	<b>Total Operating Expenses</b>			114,137
	<b>Net Operating Income (NOI)</b>			(117)
6800	Interest on Mortgage Payable	6820	6,680	
FINANCIAL	Interest on Notes Payable (Long Term)	6830		
EXPENSE	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>		6,680
	<b>Total Expenses of Operations Before Depreciation</b>	<b>6000</b>		120,817
	<b>Profit or (Loss) Before Depreciation</b>	<b>5060</b>		(6,797)
6600	Depreciation Expense (Total)	6601		29,899
	Amortization Expense	6610		
	<b>Operating Profit or Loss</b>	<b>5060</b>		(36,696)
7100	Officer's Salaries	7110		
CORPORATE	Legal Expense	7120		
OR	Federal, State and Other Income Taxes	7130		
MORTGAGOR	Interest Income	7140		
EXPENSE	Interest on Notes Payable	7141		
	Interest on Mortgage Payable	7142		
	Other Expense	7190		
	<b>Net Entity Expenses</b>	<b>7100</b>		0
	<b>NET PROFIT OR (LOSS)</b>	<b>3250</b>		(36,696)
TOTAL	WHEDA First Mortgage	9910		9,864
PRINCIPAL	Second Mortgage	9911		
PAYMENTS	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, 2016, 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 30, 2017. The financial statements of Porchlight Foundation, Inc. were not audited in accordance with the *Government Auditing Standards* and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with this entity.

### **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 consolidated 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 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 30, 2017

Madison, Wisconsin





## **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) Compliance Supplement* and the *State 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, 2016. 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 for Compliance**

Management of Porchlight, Inc. is responsible for compliance with the statutes, regulations, and the terms and conditions of its grant awards 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; the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*, issued by the State of Wisconsin Department of Administration. Those standards and the Uniform Guidance 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, 2016.

## 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 and the *State of Wisconsin Single Audit Guidelines*, 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 30, 2017

# Porchlight, Inc.

## Schedule of Findings and Questioned Costs

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### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued? Unmodified

Internal control over financial reporting:

Material weakness identified? No

Significant deficiencies identified? No

Noncompliance material to financial statements noted? No

#### Federal and State Awards

Internal control over major federal and state programs:

Material weaknesses identified? No

Significant deficiencies identified? No

Type of auditor's report issued on compliance for major program Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)] or *State Single Audit Guidelines*, as applicable?

No

Identification of major federal and state programs:

#### Name of Federal Major Program or Cluster

U.S. Department of Housing and Urban Development  
Continuum of Care Program

#### CFDA No.

14.267

#### Name of State Major Program

Department of Health Services, Homeless Grant

Dollar threshold used to distinguish between Type A and Type B programs:

Federal \$750,000

State \$250,000

Auditee qualified as low-risk auditee?

Federal Yes

State Yes

### Section II - Financial Statement Findings

None

# 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

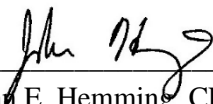
Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

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 Administration	No
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 30, 2017

Date of report