

Providence House, Inc.

**Financial Statements
and
Auditor's Report**

Year Ended June 30, 2007

The Board of Directors
Providence House, Inc.
Brooklyn, New York

Independent Auditor's Report

We have audited the accompanying statement of financial position of Providence House, Inc. as of June 30, 2007 and the related statements of activities, of cash flows and of functional expenses for the year then ended. These financial statements are the responsibility of Providence House, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the organization's June 30, 2006 financial statements and, in our report dated October 13, 2006, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2007 financial statements referred to above present fairly, in all material respects, the financial position of Providence House, Inc. as of June 30, 2007 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

DATE

Providence House, Inc.
Statement of Financial Position
June 30, 2007
With Comparative Figures at June 30, 2006

ASSETS	2007	2006
Cash and cash equivalents	\$ 419,232	\$ 354,355
Short-term investments	977,433	922,406
Program revenue receivable	281,927	513,680
Contributions receivable	5,000	95,415
Grants receivable	527,483	40,000
Interest receivable	3,144	3,628
Prepaid expenses and mortgage escrow	5,718	5,014
Land	747,265	237,265
Property, plant and equipment (net of accumulated depreciation)	4,146,457	2,125,352
Security deposits	<u>5,000</u>	<u>5,000</u>
Total assets	<u>\$ 7,113,659</u>	<u>\$ 4,302,115</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 57,951	\$ 100,032
Interest payable	6,993	6,993
Accrued payroll and related expenses	85,362	95,527
Refundable program revenue received in advance	50,633	50,633
Loans and mortgages payable	1,015,821	1,079,583
Tenants' security deposits and prepaid rent	<u>500</u>	<u>500</u>
Total liabilities	<u>1,217,260</u>	<u>1,333,268</u>
 Net assets:		
Unrestricted:		
Net investment in property, plant & equipment	3,130,636	1,045,769
Current operations	1,939,226	1,545,981
Temporarily restricted	<u>826,537</u>	<u>377,097</u>
Total net assets	<u>5,896,399</u>	<u>2,968,847</u>
Total liabilities and net assets	<u>\$ 7,113,659</u>	<u>\$ 4,302,115</u>

See notes to financial statements.

Providence House, Inc.
Statement of Activities
For the Year Ended June 30, 2007
With Summarized Comparative Figures at June 30, 2006

	Unrestricted	Temporarily Restricted	2007 Total	2006 Total
Revenue and support:				
Donations	\$ 234,843		\$ 234,843	\$ 214,750
Donated property	2,550,000		2,550,000	
Miscellaneous grants	106,700	\$ 666,640	773,340	301,201
FEMA grants	45,256		45,256	48,550
CACFP food grant	30,562		30,562	24,582
NYC Homeless – DHS payments	1,202,802		1,202,802	1,215,988
NYC Housing HRA payments	22,733		22,733	37,422
NYS Parole Program payments	298,490		298,490	368,397
DSS Westchester payments	280,949		280,949	336,515
Rental income	103,346		103,346	99,746
Investment income	79,543		79,543	34,207
Donated services value	320,000		320,000	275,275
Fundraising event (net of expenses)				
Contributions	\$ 234,631			
Revenue	15,863			
Less: Costs of direct benefit to donors	<u>(18,404)</u>		232,090	286,461
Miscellaneous income	67,374		67,374	3,393
Net assets released from restrictions	<u>217,200</u>	<u>(217,200)</u>		
 Total revenue and support	 <u>5,791,888</u>	 <u>449,440</u>	 <u>6,241,328</u>	 <u>3,246,487</u>
 Expenses:				
Temporary Shelter Program	3,189,377		3,189,377	2,886,965
Permanent Housing Program	53,199		53,199	46,911
Samaritan House	40,507		40,507	20,873
Central-Management & General	<u>30,693</u>		<u>30,693</u>	<u>25,573</u>
 Total expenses	 <u>3,313,776</u>		 <u>3,313,776</u>	 <u>2,980,322</u>
 Change in net assets	 2,478,112	 449,440	 2,927,552	 266,165
 Net assets, beginning of year	 <u>2,591,750</u>	 <u>377,097</u>	 <u>2,968,847</u>	 <u>2,702,682</u>
 Net assets, end of year	 <u>\$5,069,862</u>	 <u>\$ 826,537</u>	 <u>\$5,896,399</u>	 <u>\$2,968,847</u>

See notes to financial statements.

Providence House, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2007
With Comparative Figures at June 30, 2006

	2007	2006
Cash flows from operating activities:		
Change in net assets	\$ 2,927,552	\$ 266,165
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	212,548	100,034
Donated property	(2,550,000)	
Realized (gain) loss on investments	(4,435)	3,906
Unrealized gain on investments	(29,635)	(1,471)
(Increase) decrease in:		
Program revenue receivable	231,753	(79,808)
Contributions receivable	90,415	(57,349)
Grants receivable	(487,483)	(40,000)
Interest receivable	484	
Prepaid expenses and mortgage escrow	(704)	(3,388)
Security deposits	5,000	
Increase (decrease) in:		
Accounts payable and accrued expenses	(42,081)	56,623
Accrued payroll and related expenses	(10,165)	21,954
Refundable program revenue received in advance		(45,080)
Net cash provided by operating activities	<u>343,249</u>	<u>221,586</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(193,653)	(63,594)
Purchase of investments	(253,517)	(245,097)
Proceeds from sale of investments	232,560	208,284
Net cash used by investing activities	<u>(214,610)</u>	<u>(100,407)</u>
Cash flows from financing activities:		
Repayment of loan principal	(63,762)	(59,049)
Proceeds from note payable		400
Net cash used by financing activities	<u>(63,762)</u>	<u>(58,649)</u>
Net increase in cash	64,877	62,530
Cash and cash equivalents at beginning of year	<u>354,355</u>	<u>291,825</u>
Cash and cash equivalents at end of year	<u>\$ 419,232</u>	<u>\$ 354,355</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest expense	<u>\$ 82,138</u>	<u>\$ 86,672</u>
Non cash financing and investing activities:		
Purchase of property, plant and equipment		\$ 12,100
Less proceeds from note payable		(12,500)
Excess proceeds available from note payable		<u>\$ (400)</u>

See notes to financial statements.

Providence House, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2007
With Summarized Comparative Figures at June 30, 2006

		Management	Development		
	Program	and General	and Public	2007	2006
			Relations	Total	Total
Salaries and wages	\$ 1,211,242	\$ 220,516	\$ 98,442	\$ 1,530,200	\$ 1,374,591
Payroll taxes	99,351	15,749	6,060	121,160	111,930
Employee benefits	216,051	34,253	13,168	263,472	239,215
Rent	91,517			91,517	147,865
Occupancy	147,855	3,823	1,470	153,148	144,928
Telephone	34,947	1,196	460	36,603	31,725
Professional fees	15,587	53,075	800	69,462	43,140
Food	69,377			69,377	69,064
Scholarships	6,500			6,500	6,500
Client assistance and gifts	5,374	64	25	5,463	2,293
Other program expenses	29,840	147	56	30,043	24,222
Travel	16,985	241	91	17,317	16,563
Seminars and training	4,559	565	218	5,342	2,842
Office, conference, newsletter	6,416			6,416	4,417
Dues and subscriptions	10,780	1,139	438	12,357	9,709
Insurance	60,010	1,458	561	62,029	107,837
Repairs and maintenance	109,596	2,647	1,018	113,261	88,868
Office expenses	20,673	1,185	456	22,314	10,113
Supplies	37,142	2,328	894	40,364	36,369
Printing	2,993	439	168	3,600	959
Postage and delivery	3,182	440	169	3,791	4,876
Interest expense	82,138			82,138	86,672
Depreciation	174,289	27,631	10,628	212,548	100,034
Other fundraising expenses			29,873	29,873	38,921
Miscellaneous	4,515	698	268	5,481	1,394
Donated services value	300,000	20,000		320,000	275,275
	<u>300,000</u>	<u>20,000</u>	<u> </u>	<u>320,000</u>	<u>275,275</u>
Total expenses	<u>\$ 2,760,919</u>	<u>\$ 387,594</u>	<u>\$ 165,263</u>	<u>\$ 3,313,776</u>	<u>\$ 2,980,322</u>

See notes to financial statements.

Providence House, Inc.
Notes to Financial Statements
June 30, 2007

1. Organization and Purpose:

Providence House, Inc. (Providence) is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Providence is principally engaged in the housing and feeding of homeless women and their children, women leaving prison and care of children of women in prison. These services are provided in the City of New York, and Westchester County, New York. Providence's primary source of revenue consists of grants and contributions.

2. Summary of Significant Accounting Policies:

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

a. Accrual Basis Financial Statements

The accompanying financial statements have been prepared on the accrual basis and conform to accounting principles generally accepted in the United States of America and in accordance with the principles of not-for-profit accounting.

b. Net Assets

The net assets of Providence and changes therein are classified and reported as follows:

- Unrestricted net assets include all resources which are not subject to donor-imposed restrictions of a more specific nature than those which only obligate Providence to utilize funds in furtherance of its mission.
- Temporarily restricted net assets carry specific, donor-imposed restrictions on the expenditure or other use of contributed funds. Temporary restrictions may expire either because certain actions are taken by Providence which fulfill the restrictions or because of the passage of time. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.
- Permanently restricted net assets are those that are subject to donor-imposed restrictions which will never lapse, thus requiring that the funds be permanently retained. Generally, the donors of these funds permit Providence to use all or part of the income earned on related investments, and the net capital appreciation thereon, for general or specific purposes.

c. Contributions

Contributions are recorded as revenue upon receipt of cash or unconditional promises to give (pledges). Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Contributions of property, buildings and equipment without donor stipulation concerning the use of such long-lived assets are reported as revenues of the unrestricted net assets. Contributions of cash or other assets to be used to acquire property, plant and equipment are reported as revenue of the temporarily restricted net assets; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

(Continued)

Providence House, Inc.
Notes to Financial Statements
June 30, 2007

2. Summary of Significant Accounting Policies: (Continued)

d. Overhead

Management allocates all Central expenses with the exception of depreciation among all sites and programs except for the Permanent Housing site. These costs are allocated on a percentage basis based on total costs of each site or program.

e. Cash and Cash Equivalents

Cash and cash equivalents include all unrestricted cash on hand and in banks. Providence also considers all highly liquid unrestricted investments with a maturity of three months or less when purchased to be cash equivalents.

f. Land, Buildings and Equipment

Land, buildings and equipment are stated at cost, or, if donated, at the estimated fair market value at the date of donation. Depreciation is recorded using the straight-line method at various rates calculated to allocate the cost of the respective items over their estimated useful lives.

Estimated useful lives are:

Buildings & improvements	15 - 40 years
Leasehold improvements	Remaining life of the lease
Furniture & equipment	5 - 10 years
Vehicles	5 years

g. Investments

Investments in equity securities with readily determinable fair market values and all investments in debt securities are reported at fair market value, with gains and losses included in the statement of activities. Donated investments are reflected as contributions at their fair market values at date of receipt.

h. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from their estimates.

Providence House, Inc.
Notes to Financial Statements
June 30, 2007

3. Schedule of Cash Accounts:

Payroll checking	\$ 30,541
Central account	254,326
Permanent housing checking	102,806
PH I – Checking	4,917
PH II – Checking	4,949
PH III – Checking	2,341
PH IV – Checking	3,294
PH V – Checking	3,533
PH VI – Checking	2,650
PH VII – Checking	1,699
Samaritan House Checking	4,404
Various petty cash accounts	<u>3,772</u>
 Total	 <u>\$419,232</u>

4. Investments:

Investments are reported at market value as of June 30, 2007 and consist of the following:

Mutual funds	\$411,753
Certificates of deposit	412,290
Money market	<u>153,390</u>
 Total	 <u>\$977,433</u>

5. Schedule of Program Revenue Receivable:

PH I – OCFS	\$ 2,322
PH I – DHS	28,418
PH II – DHS	45,751
PH III – DHS	26,057
PH VII – DHS	84,621
PH IV – Westchester DSS	72,863
Central – miscellaneous accounts receivable	<u>21,895</u>
 Total	 <u>\$281,927</u>

All revenue is expected to be received in the 2008 fiscal year.

Providence House, Inc.
Notes to Financial Statements
June 30, 2007

6. Contributions Receivable:

A promise to give \$5,000 was received during the fiscal year. This contribution is expected to be received in the 2008 fiscal year.

7. Grants Receivable:

Various grant proposals totaling \$527,483 were approved for funding during the fiscal year. All grants are expected to be received in the 2008 fiscal year.

8. Fixed Assets:

A summary of fixed assets follows:

Land	<u>\$ 747,265</u>
Property, plant and equipment:	
Buildings and improvements	4,923,618
Leasehold improvements	150,644
Furniture, fixtures and equipment	139,724
Construction in progress	<u>12,100</u>
	5,226,086
Less accumulated depreciation	<u>(1,079,629)</u>
Total property, plant and equipment	<u>4,146,457</u>
Total fixed assets	<u>\$4,893,722</u>

9. Loans and Mortgages Payable:

Loans and mortgages payable at June 30, 2007 consisted of the following:

Mortgage payable secured by property, payable to a bank, with a variable rate of interest. The rate of interest as of June 30, 2007 is 8.25%. The loan is payable in monthly installments of \$1,090, which includes principal and interest and escrow of approximately \$260. The loan is due and payable in full as of July 2011. The balance of the loan as of June 30, 2007 is:

\$ 34,279

(Continued)

Providence House, Inc.
Notes to Financial Statements
June 30, 2007

9. Loans and Mortgages Payable (Continued):

Mortgage payable secured by property, payable to a bank with interest at a fixed rate of 7.78%, repayable in monthly installments of \$11,316. The loan is due and payable in full as of October 2017.

The balance of the loan as of June 30, 2007 is: 969,042

Unsecured note payable with interest at a fixed rate of 0.00%. The loan is intended to finance pre-development costs of a new housing project. The loan is payable in full on December 31, 2007, the Maturity date, or earlier if Providence House receives permanent financing prior to such date. The balance of the loan as of June 30, 2007 is:

12,500

\$1,015,821

Estimated principal payments for the next five years and thereafter are as follows:

Year Ending June 30,

2008	\$	82,993
2009		76,214
2010		82,400
2011		90,017
After 2011		<u>684,197</u>
Total		<u>\$1,015,821</u>

10. Investment Income:

Investment income is composed of the following:

Interest	\$24,374
Dividends	8,212
Short and long-term capital gain distributions	12,887
Realized loss on investment	4,435
Unrealized gain on investment	<u>29,635</u>
	<u>\$79,543</u>

11. Donated Property:

Providence House received a donation of three properties from another organization having a similar mission and purpose. The properties had a total estimated fair market value of \$2,550,000 on the date of donation. Of this amount, non-depreciable land was valued at \$510,000. The remaining \$2,040,000 consists of buildings and improvements that will be depreciated over their estimated useful lives.

Providence House, Inc.
Notes to Financial Statements
June 30, 2007

12. Leases:

Providence rents properties from several churches in the Diocese of Brooklyn, New York as follows:

Location	Lease Period	Monthly Rent
PH I	Through August 31, 2013	\$2,300
PH III	Through August 31, 2008	\$3,000
PH V	Through December 31, 2008	\$1,167
PH VI	Through September 30, 2008	\$1,800

The future estimated minimum lease payments for each of the five succeeding fiscal years is as follows:

Year Ending June 30,	
2008	\$99,204
2009	46,002
2010	27,600
2011	27,600
After 2011	59,800

13. Retirement Plan:

Providence is a participant in the noncontributory lay pension plan established by the Diocese of Brooklyn, New York, covering employees who meet certain minimum service requirements. Pension expense charged to Providence was approximately \$46,758 in fiscal year 2007, which included \$26,917 for past service contributions.

14. Donated Services:

Providence House received the following donation of services during 2007:

- Legal services valued at \$20,000. These services were recorded as a contribution and expensed to donated services in the statement of activities.
- Various volunteer program services totaling \$300,000. Providence House has implemented a method of determining the value of these services donated by accumulating the number of hours worked at an assumed rate of \$14 per hour. These services were recorded as a contribution and expensed to donated services in the statement of activities.

15. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes:

NYS Homeless Housing <i>(Restricted use building)</i>	\$270,934
PH III Parole program	47,952
PH V Parole program	434,508
Aftercare services program	24,216
Renovations, repairs and equipment	31,017
Nurse's salary	15,547
Westchester Life Skills	<u>2,363</u>
	<u>\$826,537</u>

Providence House, Inc.
Notes to Financial Statements
June 30, 2007

16. Concentration of Risk:

Providence's cash accounts and investments are located in various institutions. The amount on deposit in financial institutions on June 30, 2007 exceeded the \$100,000 federally insured limit by an aggregate amount of \$368,982.

17. Prior Year Summarized Comparative Information:

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Providence House's financial statements for the year ended June 30, 2006, from which the summarized information was derived.

18. Reclassification:

Certain amounts previously reported in the financial statements for June 30, 2006 have been reclassified to facilitate comparability with the June 30, 2007 amounts with no effect on the change in net assets as previously reported.

**Providence House, Inc.
Schedule of Activities – by Site
For the Year Ended June 30, 2007**

	PH I	PH II	PH III	PH IV	PH V	PH VI	PH VII	Total 2007	PH VIII Central Operations	PH IX Permanent Housing Program	Samaritan House	Grand Totals
Revenues:												
Donations	\$ 19,805	\$ 23,345	\$ 26,240		\$ 18,960	\$ 18,720	\$ 2,185	\$ 109,255	\$ 125,588			\$ 234,843
Donated property		538,000						538,000			\$ 2,012,000	2,550,000
Miscellaneous grants			20,000	\$ 14,520	480,000			514,520	258,820			773,340
FEMA grants	8,665	8,665	8,665	1,931	8,665	8,665		45,256				45,256
CACFP food grant	5,990	5,990	9,291	9,291				30,562				30,562
NYC Homeless – DHS payments	99,127	201,613	132,596				769,466	1,202,802				1,202,802
NYC Housing HRA payments	2,365		2,630		16,233	1,505		22,733				22,733
NYS Parole Program payments			102,279		196,211			298,490				298,490
DSS Westchester payments				280,949				280,949				280,949
Rental income	280				2,570	7,927		10,777	20,975	\$ 49,218	22,376	103,346
Investment income									79,543			79,543
Donated services value	60,000	60,000	60,000		60,000	60,000		300,000	20,000			320,000
Fundraising event (net of expenses)									232,090			232,090
Miscellaneous income			137	50				187	67,187			67,374
Total unrestricted revenues	<u>196,232</u>	<u>837,613</u>	<u>361,838</u>	<u>306,741</u>	<u>782,639</u>	<u>96,817</u>	<u>771,651</u>	<u>3,353,531</u>	<u>804,203</u>	<u>49,218</u>	<u>2,034,376</u>	<u>6,241,328</u>

See auditor's report on supplementary information.

Schedule 1
(Continued)

Providence House, Inc.
Schedule of Activities – by Site
For the Year Ended June 30, 2007

	PH I	PH II	PH III	PH IV	PH V	PH VI	PH VII	Total 2007	PH VIII Central Operations	PH IX Permanent Housing Program	Samaritan House	Grand Totals
Expenses:												
Program support allocation	51,679	49,871	74,457	52,875	65,171	15,794	129,041	438,888	(438,888)			
Salaries and stipends	162,322	143,730	198,107	199,919	189,512		449,022	1,342,612	192,588	15,000		1,550,200
Payroll taxes	11,215	9,867	15,352	18,246	14,151		42,260	111,091	8,919	1,150		121,160
Employee benefits	24,145	26,139	28,330	21,582	26,496	44	107,483	234,219	29,078	175		263,472
Rent	16,560		39,000	728	14,004	21,225		91,517				91,517
Professional fees	108	813	528	713	943		324	3,429	46,033			49,462
Supplies	1,369	2,939	1,491	3,926	6,983	47	5,508	22,263	17,876		225	40,364
Telephone	3,794	4,527	4,177	3,609	2,506	458	8,170	27,241	9,197		165	36,603
Occupancy	11,040	15,379	14,556	15,313	14,859		37,304	108,451	27,779	3,386	13,532	153,148
Equipment, purchase, rental and maintenance	1,201	14,026	12,013	18,441	5,080	320	25,998	77,079	19,861	10,343	5,978	113,261
Printing	24	24	84	43	53	6		234	3,366			3,600
Travel	786	215	5,645	866	7,016	6	943	15,477	1,840			17,317
Client assistance and gifts	158		110	269	5	380	351	1,273	4,090		100	5,463
Scholarships									6,500			6,500
Seminars and training	125	75	113		38		642	993	4,349			5,342
Interest expense				3,226			78,912	82,138				82,138
Depreciation	9,620	7,403	53,176	10,602	28,685	312	36,203	146,001	30,693	15,580	20,274	212,548
Food expense	5,598	8,600	13,318	11,985	17,679	5,144	3,470	65,794	3,573		10	69,377
Other program expenses	1,106	3,682	2,935	6,050	4,573	5,091	5,554	28,991	981	71		30,043
Office, conference, newsletter	548	652	652	652	1,304		2,608	6,416				6,416
Dues and subscriptions	321	800	540		162	87	626	2,536	8,737	954	130	12,357
Insurance	4,752	4,698	4,697	4,939	5,176	4,522	15,887	44,671	11,218	6,140		62,029
Postage and delivery	41	98		50	158		63	410	3,381			3,791
Office expenses	889	939	1,574	2,067	891		6,348	12,708	9,113	400	93	22,314
Fundraising expenses	4,976	4,872	4,872	4,872	4,872			24,464	5,409			29,873
Miscellaneous			781	25	(719)	369	25	481	5,000			5,481
Donated services value	60,000	60,000	60,000		60,000	60,000		300,000	20,000			320,000
Total expenses	<u>372,377</u>	<u>359,349</u>	<u>536,508</u>	<u>380,998</u>	<u>469,598</u>	<u>113,805</u>	<u>956,742</u>	<u>3,189,377</u>	<u>30,693</u>	<u>53,199</u>	<u>40,507</u>	<u>3,313,776</u>
Net change	<u>\$ (176,145)</u>	<u>\$ 478,264</u>	<u>\$ (174,670)</u>	<u>\$ (74,257)</u>	<u>\$ 313,041</u>	<u>\$ (16,988)</u>	<u>\$ (185,091)</u>	<u>\$ 164,154</u>	<u>\$ 773,510</u>	<u>\$ (3,981)</u>	<u>\$ 1,993,869</u>	<u>\$ 2,927,552</u>

See auditor's report on supplementary information.

Schedule 1
(Concluded)

Providence House, Inc.
Providence House IV Compared to Approved Budget
For the Year Ended June 30, 2007

Revenues: *	Approved Budget 2005/2006	Actual 2006/2007
CACFP grant	\$ 9,291	\$ 9,291
Westchester DSS payments	<u>271,662</u>	<u>280,949</u>
 Total revenues	 <u>280,953</u>	 <u>290,240</u>
 Expenses		
Program support allocation	22,211	52,875
Salary expense	166,840	199,919
Payroll taxes and employee benefits	38,679	39,828
Rent		728
Professional fees	2,233	713
Supplies		3,926
Telephone	3,730	3,609
Occupancy	17,888	15,313
Repairs and maintenance	13,829	18,441
Printing		43
Travel	1,160	866
Client assistance and gifts	2,883	269
Principal and interest expense	1,263	3,226
Depreciation		10,602
Food expense	2,400	11,985
Other program expenses		6,050
Office, conference, newsletter		652
Insurance	7,837	4,939
Postage and delivery		50
Office expenses		2,067
Fundraising expenses		4,872
Miscellaneous		<u>25</u>
 Total expenses	 <u>280,953</u>	 <u>380,998</u>
 Net change		 <u><u>\$ (90,758)</u></u>

* Revenues include only CACFP & DSS of Westchester funds

See auditor's report on supplementary information.

Schedule 2