

Providence House, Inc.

**Financial Statements
and
Auditor's Report**

Year Ended June 30, 2010

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, 2010 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, 2009 financial statements and, in our report dated November 10, 2009, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Providence House, Inc. as of June 30, 2010 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.

Lambrides, Lamos, Taylor LLP

November 29, 2010

Providence House, Inc.
Statement of Financial Position
June 30, 2010
With Comparative Figures at June 30, 2009

ASSETS	2010	2009
Cash and cash equivalents	\$ 355,460	\$ 332,748
Short-term investments	746,733	690,637
Program revenue receivable	456,859	658,759
Grants receivable	11,000	10,000
Interest receivable	2,772	4,444
Prepaid expenses and mortgage escrow	9,564	9,564
Land	747,265	747,265
Property, plant and equipment (net of accumulated depreciation)	<u>4,007,362</u>	<u>4,022,947</u>
Total assets	<u>\$6,337,015</u>	<u>\$6,476,364</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 244,958	\$ 100,400
Interest payable	4,987	6,993
Accrued payroll and related expenses	82,511	83,288
Loans and mortgages payable	921,974	1,005,476
Tenants' security deposits and prepaid rent	<u>500</u>	<u>500</u>
Total liabilities	<u>1,254,930</u>	<u>1,196,657</u>
 Net assets:		
Unrestricted:		
Net investment in property, plant and equipment	3,085,388	3,017,471
Current operations	1,343,257	1,681,743
Temporarily restricted	<u>653,440</u>	<u>580,493</u>
Total net assets	<u>5,082,085</u>	<u>5,279,707</u>
Total liabilities and net assets	<u>\$6,337,015</u>	<u>\$6,476,364</u>

See notes to financial statements.

Providence House, Inc.
Statement of Activities
For the Year Ended June 30, 2010
With Summarized Comparative Figures for the Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	2010 Totals	2009 Totals
Revenue and support:				
Donations	\$ 182,482		\$ 182,482	\$ 200,264
Miscellaneous grants	170,000	\$ 520,417	690,417	681,912
FEMA grants	24,365		24,365	48,967
CACFP food grant	17,658		17,658	21,474
NYC Homeless – DHS payments	1,138,622		1,138,622	1,228,351
NYC Housing HRA payments	44,998		44,998	39,777
DSS Westchester payments	283,027		283,027	
ESG Program		44,902	44,902	298,083
Rental income	100,941		100,941	53,072
Investment income (loss)	54,438		54,438	109,324
Donated services value	307,500		307,500	(35,448)
Fundraising event:				
Contributions	\$ 242,320			
Revenue	18,790			
Less: Costs of direct benefit to donors	<u>(24,972)</u>			
	236,138		236,138	241,267
Miscellaneous income	300		300	38,296
Net assets released from restrictions	<u>492,372</u>	<u>(492,372)</u>	<u> </u>	<u> </u>
 Total revenue, support and releases	 <u>3,052,841</u>	 <u>72,947</u>	 <u>3,125,788</u>	 <u>2,925,339</u>
Expenses:				
Temporary Shelter Program	3,169,133		3,169,133	3,254,984
Permanent Housing Program	32,631		32,631	37,030
Samaritan House	85,814		85,814	72,326
Central - Program support	<u>35,832</u>		<u>35,832</u>	<u>35,832</u>
 Total expenses	 <u>3,323,410</u>		 <u>3,323,410</u>	 <u>3,400,172</u>
 Change in net assets	 <u>(270,569)</u>	 <u>72,947</u>	 <u>(197,622)</u>	 <u>(474,833)</u>
 Net assets, beginning of year	 <u>4,699,214</u>	 <u>580,493</u>	 <u>5,279,707</u>	 <u>5,412,040</u>
 Net assets, end of year	 <u>\$ 4,428,645</u>	 <u>\$ 653,440</u>	 <u>\$ 5,082,085</u>	 <u>\$ 4,937,207</u>

See notes to financial statements.

Providence House, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2010
With Comparative Figures for the Year Ended June 30, 2009

	2010	2009
Cash flows from operating activities:		
Change in net assets	\$ (197,622)	\$ (132,333)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	183,051	181,236
Realized (gain) loss on investments	6,563	(223)
Unrealized (gain) loss on investments	(38,633)	74,747
(Increase) decrease in:		
Program revenue receivable	201,900	(197,903)
Grants receivable	(1,000)	40,000
Interest receivable	1,672	(1,300)
Prepaid expenses and mortgage escrow		5,186
Increase (decrease) in:		
Accounts payable and accrued expenses	144,558	87,157
Interest Payable	(2,006)	
Accrued payroll and related expenses	(777)	(17,139)
Refundable program revenue received in advance		(22,713)
Net cash provided by operating activities	<u>297,706</u>	<u>16,715</u>
Cash flows from investing activities:		
Purchase of property, plant and equipment	(167,466)	(54,313)
Purchase of investments	(243,341)	(102,961)
Proceeds from sale of investments	<u>219,315</u>	<u>165,233</u>
Net cash provided (used) by investing activities	<u>(191,492)</u>	<u>7,959</u>
Cash flows from financing activities:		
Repayment of principal	(83,502)	(72,209)
Proceeds from note payable		<u>125,000</u>
Net cash provided (used) by financing activities	<u>(83,502)</u>	<u>52,791</u>
Net increase in cash	22,712	77,465
Cash and cash equivalents at beginning of year	<u>332,748</u>	<u>255,283</u>
Cash and cash equivalents at end of year	<u>\$ 355,460</u>	<u>\$ 332,748</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest expense	<u>\$ 62,044</u>	<u>\$ 71,957</u>

See notes to financial statements.

Providence House, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2010
With Summarized Comparative Figures for the Year Ended June 30, 2009

	Program	Management and General	Development and Public Relations	2010 Totals	2009 Totals
Salaries and wages	\$ 1,220,163	\$ 255,906	\$ 106,782	\$ 1,582,851	\$ 1,629,348
Payroll taxes	108,392	18,732	6,694	133,818	133,759
Employee benefits	230,122	39,774	14,201	284,097	275,794
Rent	129,524			129,524	113,429
Occupancy	189,575	4,847	1,730	196,152	188,444
Telephone	44,110	2,600	929	47,639	47,329
Professional fees	1,511	32,959	94	34,564	33,441
Food	55,196			55,196	64,782
Scholarships	4,750			4,750	8,000
Client assistance and gifts	4,155			4,155	5,079
Other program expenses	30,157	799	285	31,241	28,976
Travel	18,613	342	121	19,076	19,983
Seminars and training	364	13	5	382	2,234
Office, conference, newsletter					1,725
Dues and subscriptions	11,003	1,302	465	12,770	10,457
Insurance	58,656	1,018	365	60,039	40,718
Equipment repairs, rental and maintenance	67,522	1,171	416	69,109	82,236
Office expenses	12,571	264	95	12,930	40,369
Supplies	30,834	1,721	614	33,169	24,428
Printing	7,534	1,272	454	9,260	2,726
Postage and delivery	4,205	672	240	5,117	5,443
Interest expense	62,044			62,044	71,957
Depreciation	148,271	25,627	9,153	183,051	181,236
Other fundraising expenses			43,240	43,240	44,832
Miscellaneous	1,509	168	59	1,736	947
Donated services value	<u>300,000</u>	<u>7,500</u>	<u> </u>	<u>307,500</u>	<u>342,500</u>
 Total expenses	 <u>\$ 2,740,781</u>	 <u>\$ 396,687</u>	 <u>\$ 185,942</u>	 <u>\$ 3,323,410</u>	 <u>\$ 3,400,172</u>

See notes to financial statements.

Providence House, Inc.
Notes to Financial Statements
June 30, 2010

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, and women leaving 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.

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.

d. 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.

(Continued)

Providence House, Inc.
Notes to Financial Statements
June 30, 2010

2. Summary of Significant Accounting Policies: (Continued)

e. Property, Plant and Equipment

Property, plant 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 and improvements	15 - 40 years
Leasehold improvements	Remaining life of the lease
Furniture, fixtures and equipment	5 - 10 years

f. 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.

g. Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by Providence. These services are valued based on the estimated cost of services that would have otherwise had to have been purchased.

h. 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.

i. Expense Allocations

Directly identifiable expenses are charged to programs and supporting services. Development and public relations, as well as management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the organization.

j. 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.

(Continued)

Providence House, Inc.
Notes to Financial Statements
June 30, 2010

2. Summary of Significant Accounting Policies: (Continued)

k. 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, 2009, from which the summarized information was derived.

3. Schedule of Cash and Cash Equivalents at June 30, 2010:

Payroll checking	\$ 31,054
Central account checking	214,479
Central account savings	24,217
Permanent housing checking	9,144
PH I – Checking	2,901
PH II – Checking	1,715
PH III – Checking	1,992
PH IV – Checking	3,136
PH V – Checking	1,527
PH VI – Checking	3,470
PH VII – Checking	346
329 Lincoln Road – Checking	41,690
Samaritan House Checking	10,358
Various petty cash accounts	<u>9,431</u>
 Total	 <u><u>\$355,460</u></u>

4. Short-term Investments:

Short-term investments are reported at market value as of June 30, 2010 and consist of the following:

Mutual funds	\$437,953
Certificates of deposit	202,067
Money market funds	<u>106,713</u>
 Total	 <u><u>\$746,733</u></u>

Providence House, Inc.
Notes to Financial Statements
June 30, 2010

5. Investment Income :

Investment income is composed of the following:

Interest	\$15,501
Dividends	6,346
Short and long-term capital gain distributions	521
Realized gain on investment	(6,563)
Unrealized loss on investment	<u>38,633</u>
	<u>\$54,438</u>

6. Schedule of Program Revenue Receivable:

PH I – OCFS	\$ 2,322
PH I – DHS	20,328
PH II – DHS	42,561
PH III – DHS	12,051
PH V – ROBIN HOOD	200,000
PH VII – DHS	116,617
PH IV – Westchester DSS	24,226
PH IV – Westchester ESG	<u>38,754</u>
Total	<u>\$456,859</u>

All revenue is expected to be received in the 2011 fiscal year.

7. Fixed Assets:

A summary of fixed assets follows:

Land	<u>\$ 747,265</u>
Property, plant and equipment:	
Buildings and improvements	5,088,138
Leasehold improvements	193,849
Furniture, fixtures and equipment	143,508
Construction in progress	<u>200,833</u>
	5,626,328
Less accumulated depreciation	<u>(1,618,966)</u>
Total property, plant and equipment	<u>4,007,362</u>
Total fixed assets	<u>\$4,754,627</u>

Providence House, Inc.
Notes to Financial Statements
June 30, 2010

8. Loans and Mortgages Payable:

Loans and mortgages payable at June 30, 2010 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, 2010 is 8.00%. The loan is payable in monthly installments of \$1,021, which includes principal and interest and escrow of approximately \$140. The loan is due and payable in full as of July 2011. The balance of the loan as of June 30, 2010 is: \$ 9,482

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, 2010 is: 769,242

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 "K Street Project"). In October, 2010, the terms of this loan were modified as specified in Note 15 below. The balance of the loan as of June 30, 2010 is: 18,250

Unsecured note payable with interest at a fixed rate of 7.00%. The loan is intended to finance pre-development costs of a second new housing project (the "Lincoln Road Project"). The loan is payable in full, with accrued interest, on May 31, 2011, the Maturity date, or earlier if Providence House receives permanent financing prior to such date. The balance of the loan as of June 30, 2010 is: 125,000

\$921,974

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

Year Ending June 30,	
2011	\$231,405
2012	85,016
2013	91,872
2014	99,280
2015 and thereafter	<u>414,401</u>
Total	<u>\$921,974</u>

9. 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 \$65,646 in fiscal year 2010.

Providence House, Inc.
Notes to Financial Statements
June 30, 2010

10. Leases:

Providence rents properties from several churches in the Diocese of Brooklyn and Queens as follows:

Location	Lease Period	Monthly Rent
PH I	Through August 31, 2013	\$2,300
PH III	Through August 31, 2013	\$3,833
PH V	Through December 31, 2013	\$3,750
PH VI	Through September 30, 2013	\$2,083

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

Year Ending June 30,	
2011	\$143,600
2012	143,600
2013	143,600
2014	<u>41,017</u>
	<u>\$471,817</u>

11. Donated Services:

Providence House received the following donated services during 2010:

- Legal services valued at \$7,500. 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 \$14.50 per hour. These services were recorded as a contribution and expensed to donated services in the statement of activities.

12. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes:

Annual scholarships	\$ 7,750
NYS Homeless Housing (Restricted use building)	224,440
Pledges receivable	200,000
WORKS Program	62,500
Supportive Housing Director	81,250
Renovations, repairs and equipment	<u>77,500</u>
	<u>\$653,440</u>

Providence House, Inc.
Notes to Financial Statements
June 30, 2010

13. Concentration of Risk:

Providence's cash accounts are located in one institution. The amount on deposit in the financial institution on June 30, 2010 exceeded the federally insured limit by an aggregate amount of \$121,491.

14. Fair Value Measurements:

In determining fair value, Providence uses various valuation approaches within the FAS 157 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

FAS 157 established a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 inputs: In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that Providence has the ability to access.

Level 2 inputs: Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs: Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in the entirety are categorized based on the lowest level input that is significant to the valuation. Providence House's assessment of the significance of the particular inputs to these fair value measurements requires judgment and considers factors of each asset or liability.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Short Term Investments	<u>746,733</u>	<u>746,733</u>	<u> </u>	<u> </u>
Total Assets at Fair Value	<u>\$ 746,733</u>	<u>\$ 746,733</u>	<u>\$ -</u>	<u>\$ -</u>

Providence House, Inc.
Notes to Financial Statements
June 30, 2010

15. Subsequent Events:

Management of Providence House has evaluated subsequent events through November 29, 2010, which is the date the financial statements were available to be issued. The following events took place subsequent to year end:

In April 2010, Providence House entered into a joint venture agreement with a for-profit development company in connection with the development of a new housing project in Brooklyn, New York (the "K Street Project").

In June 2010, Providence House entered into an agreement to borrow an amount not to exceed \$200,000 at an interest rate of 7%. The purpose of this loan was to finance pre-development costs associated with the development of the K Street Project, and to refinance an existing unsecured loan payable of \$18,250. By October 2010, Providence House had drawn down the entire \$200,000 to finance ongoing construction costs associated with the K Street Project.

Providence House is party to an existing architectural contract for the design and construction of buildings for the K Street Project. The expected cost of services outlined in the contract totals \$294,435 and is payable in four installments of \$73,609, upon the completion of each of the four expected phases of the construction process. Phase I was completed and billed prior to June 30, 2010. Cost of the remaining work will be incurred throughout the 2011 fiscal year until the expected completion date in 2011.

In October 2010, Providence House entered into an agreement modifying and extending the terms of an existing loan intended to finance pre-development costs in connection with the Lincoln Road Project. The principal amount available under the note was increased from \$125,000 to \$170,000. As of November 29, 2010, no disbursements have been made from this note.

Management discovered no other subsequent events requiring disclosure.

Providence House, Inc.
Temporary Shelter and Feeding Programs
Schedule of Activities – by Site
For the Year Ended June 30, 2010

	PH I	PH II	PH III	PH IV	PH V	PH VI	PH VII	Totals	Central Operations	Permanent Housing Program	Samaritan House	Grand Totals
Revenues and gains:												
Donations	\$ 16,980	\$ 23,085	\$ 11,685	\$ 475	\$ 24,980	\$ 14,760		\$ 91,965	\$ 90,517			\$ 182,482
Miscellaneous grants				2,667	337,500			340,167	338,250		\$ 12,000	690,417
FEMA	4,498	4,498	4,498	1,875	4,498	4,498		24,365				24,365
CACFP food grant	3,532	3,532	5,297	5,297				17,658				17,658
NYC Homeless – DHS payments	102,561	192,577	91,462				\$ 752,022	1,138,622				1,138,622
NYC Housing HRA payments					44,398			44,398	600			44,998
DSS Westchester payments				283,027				283,027				283,027
ESG Program				6,148				6,148	38,754			44,902
Rental income	2,400		430		1,550	600		4,980	10,734	\$ 50,199	35,028	100,941
Investment income									54,438			54,438
Donated services value	60,000	60,000	60,000		60,000	60,000		300,000	7,500			307,500
Fundraising (net of direct expenses)									236,138			236,138
Miscellaneous income			300					300				300
Total unrestricted revenues	189,971	283,692	173,672	299,489	472,926	79,858	752,022	2,251,630	776,931	50,199	47,028	3,125,788

See auditor's report on supplementary information.

Schedule 1 (Continued)

Providence House, Inc.
Temporary Shelter and Feeding Programs
Schedule of Activities – by Site
For the Year Ended June 30, 2010

	P H I	P H II	P H III	P H IV	P H V	P H VI	P H VII	To tals	Central Operat ions	P ermanent Ho using Pro gram	Samaritan Ho use	Grand Totals
Expenses and losses:												
Program support allocation	49,890	49,619	70,186	56,045	73,240	15,983	145,335	460,298	(470,526)		10,228	
Salaries and stipends	139,292	136,759	169,774	197,220	208,521		484,116	1,335,682	247,169			1,582,851
Payroll taxes	11,639	10,483	15,135	17,698	20,789		38,739	114,483	19,335			133,818
Employee benefits	26,101	27,948	35,129	39,767	34,611	49	84,643	248,248	35,654	195		284,097
Rent	16,440		46,834		41,250	25,000		129,524				129,524
Professional fees	40	40	80	79			119	358	34,206			34,564
Supplies	2,133	3,330	2,528	3,004	6,735		3,116	20,846	12,291		32	33,169
Telephone	4,643	5,064	4,329	4,505	3,525	424	6,576	29,066	18,573			47,639
Occupancy	11,160	12,774	13,113	18,099	21,688	15,505	48,311	140,650	32,909	3,517	19,076	196,152
Equipment, purchase, rental and maintenance	2,121	3,534	4,188	17,110	7,195	1,163	13,903	49,214	8,359	6,844	4,692	69,109
Printing				40	40		97	177	9,083			9,260
Travel	606	751	1,045	1,725	10,664		1,846	16,637	2,439			19,076
Client assistance and gifts	113		18	660	373		347	1,511	2,644			4,155
Scholarships									4,750			4,750
Seminars and training							288	288	94			382
Interest expense				1,299			60,745	62,044				62,044
Depreciation	7,836	13,614	12,650	11,130	2,119		39,071	86,420	35,832	17,199	43,600	183,051
Food expense	4,186	8,433	12,494	5,752	16,038	5,388	413	52,704	2,492			55,196
Other program expenses	1,009	4,368	2,175	2,766	4,127	2,446	7,266	24,157	5,706	883	495	31,241
Dues and subscriptions	471	470	432	432	323	87	3,175	5,390	6,141	950	289	12,770
Insurance	4,193	3,510	4,335	6,783	4,417	3,408	15,558	42,204	7,641	3,043	7,151	60,039
Postage and delivery	44	9		22	242			317	4,800			5,117
Office expenses	998	938	1,872	963	978		4,041	9,790	2,889		251	12,930
Fundraising expenses	7,717	7,717	7,718	7,717	7,717			38,586	4,654			43,240
Miscellaneous			265		265	9		539	1,197			1,736
Donated services value	60,000	60,000	60,000		60,000	60,000		300,000	7,500			307,500
Total expenses	<u>350,632</u>	<u>349,361</u>	<u>464,300</u>	<u>392,816</u>	<u>524,857</u>	<u>129,462</u>	<u>957,705</u>	<u>3,169,133</u>	<u>35,832</u>	<u>32,631</u>	<u>85,814</u>	<u>3,323,410</u>
Net change	<u>\$(160,661)</u>	<u>\$ (65,669)</u>	<u>\$(290,628)</u>	<u>\$ (93,327)</u>	<u>\$ (51,931)</u>	<u>\$ (49,604)</u>	<u>\$(205,683)</u>	<u>\$(917,503)</u>	<u>\$ 741,099</u>	<u>\$ 17,568</u>	<u>\$ (38,786)</u>	<u>\$(197,622)</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, 2010

Revenues: *	Approved Budget 2009-2010	Actual 2009-2010
CACFP grant	\$ 6,762	\$ 5,297
Westchester DSS payments	<u>297,211</u>	<u>283,027</u>
 Total revenues	 <u>303,973</u>	 <u>288,324</u>
 Expenses:		
Program support allocation	15,552	56,045
Salary expense	170,343	197,220
Payroll taxes and employee benefits	42,335	57,465
Professional fees	2,000	79
Supplies		3,004
Telephone	3,060	4,505
Occupancy	14,030	18,099
Repairs and maintenance	28,713	17,110
Printing		40
Travel	1,030	1,725
Client assistance and gifts	4,100	660
Principal and interest expense	3,400	1,299
Depreciation		11,130
Food expense	3,200	5,752
Other program expenses		2,766
Dues and subscriptions		432
Insurance	10,300	6,783
Postage and delivery		22
Office expenses		963
Fundraising expenses	<u> </u>	<u>7,717</u>
 Total expenses	 <u>298,063</u>	 <u>392,816</u>
 Net change		 <u><u>\$ (104,492)</u></u>

* Revenues include only CACFP & DSS of Westchester funds

See auditor's report on supplementary information.

Schedule 2