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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011

Open to Public Inspection

A **For the 2011 calendar year, or tax year beginning** , 2011, **and ending** , 20

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization **Hope House of Milwaukee, Inc.**

Doing Business As

Number and street (or P O box if mail is not delivered to street address) **PO Box 04095** Room/suite

City or town, state or country, and ZIP + 4 **Milwaukee, WI 53204**

D Employer identification number **39-1592900**

E Telephone number **414-645-2122**

G Gross receipts $ **2,243,512**

F Name and address of principal officer **Kenneth Schmidt**
209 West Orchard Street, Milwaukee, WI 53204

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J **Website:** ▶ **www.hopehousemke org**

H(c) Group exemption number ▶ **N/A**

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation **1987**

M State of legal domicile **WI**

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: **It is the mission of Hope House "To end homelessness and create healthy communities." To this end Hope House provides: emergency and transitional shelter for homeless men, women, and families, permanent housing for homeless individuals, a low-cost medical clinic, emergency food pantry, youth and adult education programs, and protective payee services.**		
	2	Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	14
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	14
	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	46
	6	Total number of volunteers (estimate if necessary)	6	5
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	N/A

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			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	2,240,942	2,243,121
	9	Program service revenue (Part VIII, line 2g)	0	0
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	280	109
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	(6,613)	282
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,234,609	2,243,512
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	409,110	352,806
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	1,346,453	1,441,793
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	462,044	453,868
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	2,217,607	2,248,467
	19	Revenue less expenses. Subtract line 18 from line 12	17,002	(4,955)

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	1,806,163	1,795,536
	21	Total liabilities (Part X, line 26)	184,553	178,881
	22	Net assets or fund balances. Subtract line 21 from line 20	1,621,610	1,616,655

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer — Date: 05/09/2012

Kenneth Schmidt, Executive Director
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions. Cat No 11282Y Form **990** (2011)

SCANNED JUN 11 2012

6-17

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III . . . . . ☑

1 Briefly describe the organization's mission:

It is the mission of Hope House "to end homelessness & create healthy communities." To this end Hope House provides: emergency and transitional shelter for homeless men, women & families, permanent housing for homeless individuals, a low-cost medical clinic, emergency food pantry, youth & adult education, and protective payee services.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 932,861 including grants of $ 89,408) (Revenue $)

Transitional Housing for homeless single adult women and families--Hope House provides transitional housing to 14 single women and 10 families. In 2011, 82% of residents obtained permanent housing upon discharge. In addition, 34% of residents who were not disabled had obtained employment upon leaving the program, and 87% had utilized 3 or more supportive services during their stay. Fusing best practice research, consumer input, and 20 years experience, Hope House has developed a method that includes the following: 1. Extended Shelter and Supportive Case Management, 2. Comprehensive Assessment and Service Planning, 3. Practical On site Education, 4. Consistent Reinforcement and Role Modeling, and 5 Referral, Linkage, and Engagement of Community Based Services. Using this method, Hope House has consistently achieved benchmarks that exceed those set by the Department of Housing and Urban Development for Transitional Housing Programs.

4b (Code:) (Expenses $ 167,385 including grants of $ 21,199) (Revenue $)

Emergency Shelter for single adult men--The Thresholds Emergency Shelter program is designed to provide short-term shelter and supportive services to 13 homeless single men at a time. Program Personnel work quickly with the men to develop gainful employment opportunities and to secure permanent housing. By providing practical, applicable information, education and services in a condensed time-frame, men are provided intensive, "life ready" skills in the shortest period possible. The efficient process moves men into stable housing as swiftly as possible. Moreover, they have the necessary resources and tools to help ensure they can maintain their housing. In 2011, 158 single men were served by the Thresholds Programs, and 48% obtained stable housing upon discharge.

4c (Code.) (Expenses $ 195,231 including grants of $ 183,472) (Revenue $)

USS Food Pantry-Food Services--The United Southside Food Pantry has developed a multifaceted continuum of services designed to provide emergency food distribution, reduce hunger, improve nutrition, and enhance the quality of life for households in the 53204 zip code. The three tiers--healthful food distribution, applicable education on nutrition, and relevant service and referral--create a positive, proactive and integrative method for recipients to improve and maintain their quality of life, In 2011, total of 3,824 households received emergency food distributions. This amounts to more than 10,700 people, including 6,411 adults and 4,297 children.

4d Other program services (Describe in Schedule O.)
(Expenses $ 696,545 including grants of $ 58,727) (Revenue $)

4e **Total program service expenses ▶** $1,992,022

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	✓	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	✓	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		✓
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		✓
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		✓
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		✓
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		✓
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	✓	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		✓
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		✓
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		✓
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	✓	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		✓
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a	✓	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		✓
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		✓
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		✓
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		✓
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		✓
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		✓
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		✓
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		✓
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		✓
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		✓
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	✓	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		✓
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a		✓
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		✓
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		✓
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		✓
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		✓
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		✓
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		✓
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		✓
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	✓	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		✓
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34		✓
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		✓
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		✓
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		✓
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		✓
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	✓	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	1		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	✓	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	46			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? .			2b	✓	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions) . .					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a		✓
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		✓
b	If "Yes," enter the name of the foreign country: ▶ ---------- See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .			5a		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		✓
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? .			7f		✓
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		✓
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		✓
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		✓
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		✓
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		✓
10	**Section 501(c)(7) organizations.** Enter:					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	N/A			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities .	10b	N/A			
11	**Section 501(c)(12) organizations.** Enter:					
a	Gross income from members or shareholders	11a	N/A			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	N/A			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year . .	12b	N/A			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state?			13a		
	Note. See the instructions for additional information the organization must report on Schedule O.					
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* .			14b		

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . .	1a 14			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b	Enter the number of voting members included in line 1a, above, who are independent .	1b 14			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? .		3		✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		✓
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		✓
6	Did the organization have members or stockholders?		6		✓
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a		✓
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?		8a	✓	
b	Each committee with authority to act on behalf of the governing body?		8b	✓	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*		9		✓

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		✓
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		✓
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	✓	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	✓	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	✓	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	✓	
13	Did the organization have a written whistleblower policy?	13	✓	
14	Did the organization have a written document retention and destruction policy?	14	✓	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	✓	
b	Other officers or key employees of the organization	15b	✓	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		✓
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ **Wisconsin**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ **Xuyen Vo, 209 W. Orchard Street, Milwaukee, WI 53204 (414) 645-2122**

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII . . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Laurel Nelson-Rowe President		✓		✓				0	0	0
(2) Daniel E. Schley Vice President		✓		✓				0	0	0
(3) Katherine Durben Secretary		✓		✓				0	0	0
(4) Corina Schoenke Treasurer		✓		✓				0	0	0
(5) Ivory Britton Board Member		✓						0	0	0
(6) Rosemary Lillich Morby Board Member		✓						0	0	0
(7) Michelle Kempen Board Member		✓						0	0	0
(8) Peter G. Labonte Board Member		✓						0	0	0
(9) Brian Peters Board Member		✓						0	0	0
(10) Tim Posnanski Board Member		✓						0	0	0
(11) Joseph Schubert Board Member		✓						0	0	0
(12) Kathy Oman Board Member		✓						0	0	0
(13) Richard Walters Board Member		✓						0	0	0
(14) Susan Scot Fry Board Member		✓						0	0	0

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) Kenneth Schmidt Executive Director		✓		✓				79,135	0	3,294
(16) Xuyen Vo Accounting Coordinator				✓				49,120	0	13,335
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Sub-total ▶								128,255		16,629
c Total from continuation sheets to Part VII, Section A ▶								0		0
d Total (add lines 1b and 1c) ▶								128,255		16,629

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶

			Yes	No
3	Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		✓
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4		✓
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a 14,869				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e 1,460,771				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 767,481				
	g	Noncash contributions included in lines 1a-1f: $ 357,108					
	h	**Total.** Add lines 1a–1f ▶		2,243,121			
Program Service Revenue			Business Code				
	2a						
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f ▶					
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶		109			109
	4	Income from investment of tax-exempt bond proceeds ▶					
	5	Royalties ▶					
			(i) Real / (ii) Personal				
	6a	Gross rents					
	b	Less: rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss) ▶					
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory					
	b	Less. cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss) ▶					
	8a	Gross income from fundraising events (not including $ ____ of contributions reported on line 1c). See Part IV, line 18 a					
	b	Less: direct expenses b					
	c	Net income or (loss) from fundraising events ▶					
	9a	Gross income from gaming activities. See Part IV, line 19 a					
	b	Less: direct expenses b					
	c	Net income or (loss) from gaming activities ▶					
	10a	Gross sales of inventory, less returns and allowances a					
	b	Less: cost of goods sold b					
	c	Net income or (loss) from sales of inventory ▶					
		Miscellaneous Revenue	Business Code				
	11a	**Returned/Refunded Assistance**	541900	99	99		
	b	**Miscellaneous**	541900	183	183		
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d ▶		282			
	12	**Total revenue.** See instructions. ▶		2,243,512	391		391

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX . . . . . ☐

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2	Grants and other assistance to individuals in the United States. See Part IV, line 22 . . .	352,806	352,806		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16 . .				
4	Benefits paid to or for members . . .				
5	Compensation of current officers, directors, trustees, and key employees	148,156		145,670	2,486
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . .				
7	Other salaries and wages	1,016,200	969,918	10,260	36,022
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	14,660	14,615		45
9	Other employee benefits	166,631	166,279		352
10	Payroll taxes	119,248	103,727	11,575	3,946
11	Fees for services (non-employees):				
a	Management				
b	Legal				
c	Accounting	9,500		9,500	
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other	4,598	4,166	432	
12	Advertising and promotion				
13	Office expenses	105,946	93,793	7,260	4,893
14	Information technology	12,000	8,264	2,654	1,082
15	Royalties				
16	Occupancy	73,332	73,323	9	
17	Travel	11,846	11,292	538	16
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings .	2,265	1,561	704	
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization .	107,520	99,928	7,592	
23	Insurance	17,291	17,291		
24	Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a	**Youth Education supplies and field trip**	5,481	5,481		
b	**Membership, Dues and Fees**	6,970	327	5,253	1,390
c	**Direct Clients Benefit**	14,852	14,852		
d	**Food-Perishable & Non-Perishable**	50,719	49,780	589	350
e	All other expenses **Miscellaneous**	8,446	4,619	1,772	2,055
25	**Total functional expenses.** Add lines 1 through 24e	2,248,467	1,992,022	203,808	52,637
26	**Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		153,576	1	430,400
	2	Savings and temporary cash investments		310,502	2	100,000
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		260,341	4	258,481
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		15,031	8	17,647
	9	Prepaid expenses and deferred charges		9,611	9	6,406
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 2,639,128			
	b	Less: accumulated depreciation	10b 1,656,529	1,043,889	10c	982,602
	11	Investments—publicly traded securities			11	
	12	Investments—other securities. See Part IV, line 11			12	
	13	Investments—program-related. See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		13,213	15	0
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,806,163	16	1,795,536
Liabilities	17	Accounts payable and accrued expenses		90,505	17	88,162
	18	Grants payable			18	
	19	Deferred revenue		0	19	1,601
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		34,400	23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		59,648	25	89,118
	26	**Total liabilities.** Add lines 17 through 25		184,553	26	178,881
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☐ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		1,594,171	27	1,599,534
	28	Temporarily restricted net assets		27,439	28	17,121
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		1,621,610	33	1,616,655
	34	Total liabilities and net assets/fund balances		1,806,163	34	1,795,536

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,243,512
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,248,467
3	Revenue less expenses. Subtract line 2 from line 1	3	(4,955)
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,621,610
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	1,616,655

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		✓
b	Were the organization's financial statements audited by an independent accountant?	2b	✓	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	✓	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	✓	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	✓	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization	Employer identification number
Hope House of Milwaukee, Inc.	39-1592900

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is. (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☑ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives. (1) more than 33⅓% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III–Functionally integrated **d** ☐ Type III–Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . .	1,658,260	1,637,808	2,128,082	2,240,942	2,243,121	9,908,213
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . .						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3	1,658,260	1,637,808	2,128,082	2,240,942	2,243,121	9,908,213
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						9,908,213

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	1,658,260	1,637,808	2,128,082	2,240,942	2,243,121	9,908,213
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	12,128	7,073	1,392	280	109	20,982
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	4,800	360	1,952	867	282	8,261
11 **Total support.** Add lines 7 through 10						9,937,456

12	Gross receipts from related activities, etc. (see instructions)	12	0

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14	Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	99.7057 %
15	Public support percentage from 2010 Schedule A, Part II, line 14	15	99.5267 %

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☑

b **33 1/3% support test—2010.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . .						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . .						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons .						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2010 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2011** (line 10c, column (f) divided by line 13, column (f)) . . .	17	%
18	Investment income percentage from **2010** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization . ▶ ☐

b **33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Part II, Section B, Line 10:

Description	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011
Returned/Refund Assistance	562	15	62	195	99
Miscellaneous Income	4,238	345	1,890	672	183
Total Line 10	4,800	360	1,952	867	282

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization: Hope House of Milwaukee, Inc.

Employer identification number: 39-1592900

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ ----------

4 Number of states where property subject to conservation easement is located ▶ ----------

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ ----------

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ ----------

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ----------
(ii) Assets included in Form 990, Part X ▶ $ ----------

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ----------
b Assets included in Form 990, Part X ▶ $

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance					
b	Contributions					
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ _____%
b Permanent endowment ▶ _____%
c Temporarily restricted endowment ▶ _____%

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i)	unrelated organizations	3a(i)		
(ii)	related organizations	3a(ii)		
b	If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

	Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a	Land		40,000		40,000
b	Buildings		2,223,383	1,354,103	869,280
c	Leasehold improvements				
d	Equipment		343,491	272,222	71,269
e	Other		32,253	30,200	2,053
Total.	Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				982,602

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12.)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

	(a) Description	(b) Book value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶		

Part X Other Liabilities. See Form 990, Part X, line 25.

1.	(a) Description of liability	(b) Book value
(1)	Federal income taxes	
(2)	**Protective Payee**	**63,502**
(3)	**Capital Lease**	**25,616**
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
(11)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶		**89,118**

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	2,243,512
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	2,248,467
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	(4,955)
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	(4,955)

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	2,246,429
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b	2,917		
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	2,917
3	Subtract line **2e** from line **1**			3	2,243,512
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1** .				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	2,243,512

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	2,251,384
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a	2,917		
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	2,917
3	Subtract line **2e** from line **1**			3	2,248,467
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	2,248,467

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

Hope House of Milwaukee, Inc.

Employer identification number

39-1592900

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed . . . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1. In Kind Donation	108		$ 943	Donor Stated Value	Books and Publications
2. In Kind Donation	508		$ 36,146	Donor Stated Value	Clothing and Household Goods
3. In Kind Donation	10,700		$ 233,836	Donor Stated Value	Food
4. In Kind Donation	508		$ 9,906	Donor Stated Value	Hygiene
5. In Kind Donation	78		$ 4,300	Donor Stated Value	Furniture
6. In Kind Donation	25		$ 2,121	Donor Stated Value	Event Tickets
7. In Kind Donation	206		$ 9,768	Donor Stated Value	Toys
8. In Kind Donation	249		$ 16,548	Donor Stated Value	Holiday Gift Bags
9. In Kind Donation	608		$ 32,117	Donor Stated Value	Office/School Supplies
10. In Kind Donation	1		$ 500	Donor Stated Value	Computer Equipment
11. In Kind Donation	4		$ 50	Donor Stated Value	Infant Items
12. In Kind Donation	508		$ 8,257	Donor Stated Value	Other

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

All Other Assistance are in-kind donations Donors record in-kind item descriptions and value, records are kept on all donations. The donations are distributed through appropriate program area. Food is the largest in-kind item, its distribution is made to clients of the Food Pantry and Residential Programs. Client files record food distributions and meals served. In addition food pantry inventory is audited annually. Other donated items including School Supplies (distributed at an annual Street Fair/Shinning Stars Programs), Household Goods (graduates of Residential Programs), Holiday Gift Bags (Community Outreach , Residential Programs), Hygiene Items (Food pantry, Residential Programs). All donations are stored in secure locations prior to distribution.

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2011

Open To Public Inspection

Name of the organization
Hope House of Milwaukee, Inc.

Employer identification number
39-1592900

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications	✓		943	Donor stated values
5	Clothing and household goods	✓		36,146	Donor stated values
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory	✓	601	236,453	Donor stated values
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (Holiday Gift Items)	✓	81	26,316	Donor stated values
26	Other ▶ (Office/School suppl)	✓	41	32,617	Donor stated values
27	Other ▶ (Hygiene items)	✓	80	9,906	Donor stated values
28	Other ▶ (Miscellaneous)	✓	69	14,727	Donor stated values

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement 29

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		✓
b	If "Yes," describe the arrangement in Part II.			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31		✓
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a		✓
b	If "Yes," describe in Part II.			
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.			

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Part 1, Line 28 - Bicycle $15 + Furniture $4,300 + Infant Item $50 + Event Tickets $2,121 + plants $50 + Others $8,191 = $14,727.

"Others" includes craft materials, games, bus tickets, misc garden and outdoor items, etc.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization
HOPE HOUSE OF MILWAUKEE INC

Employer identification number
39-1592900

Part III Line 4d Description of Other Program Services Expenses

Protective Payee Services for disabled adults and families (Expenses $125,047 including Grant of $ 8,915) (Revenue $)

The Protective Payee Program is designed to provide financial oversight, budget counseling and supportive case management for individual with severe mental illness and other disabilities who need that little extra support to prevent homelessness. The program provides careful financial oversight for individuals with limited disability income, so that the individual stays in housing and has the resources to provide for basic needs.

Homeless Management Information Systems (Expenses $87,597 including Grant of $) (Revenue $)

Single Room Occupancy-Surgeon's Quarters (Expenses $45,353 including Grant of $ 5,462) (Revenue $)

Angle of Hope Clinic-Medical Services (Expenses $12,910 including Grant of $) (Revenue $)

Shining Star-Youth Education Program (Expenses $123,910 including Grant of $ 17,169) (Revenue $)

Community Outreach (Expenses $62,932 including Grant of $ 14,746) (Revenue $)

Mercy Housing-Johnston Center Resident Services (Expenses $154,731 including Grant of $ 3,300) (Revenue $)

Homelessness Prevention & Rapid Re-Housing (Expenses $76,749 including Grant of $ 7,402) (Revenue $)

Path to Progress (Expenses $7,316 including Grant of $ 1,733) (Revenue $)

Total Other Program Services Part III Line 4d (Expenses $696,545 including Grant of $ 58,727) (Revenue $)

Part VI Section B Policies

Line 11b - At the time of annual financial audit approval process the 990 form is presented to the executive Director, Finance-Personnel Committee and Board of Directors.

Line 12c - Board member sign acknowledgement of receipt of policy, Board signs off on purchases more than $5,000 including monitoring of vendor.

Line 15a and Line 15b - The organization monitors local wage studies issued by the NonProfit Center of Milwaukee and the salary range for officers of similar sized non-profits operating in Southeastern Wisconsin.

Part VI Section C. Disclosure

Line 19 - Governing conflict of interest and financial statement documents are available upon written request.

HOPE HOUSE OF MILWAUKEE, INCORPORATED

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

RitzHolman CPAs

HOPE HOUSE OF MILWAUKEE, INCORPORATED

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RitzHolman CPAs

Independent Auditor's Report

Board of Directors
Hope House of Milwaukee, Incorporated

We have audited the accompanying balance sheets of Hope House of Milwaukee, Incorporated as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Hope House of Milwaukee, Incorporated's management. Our responsibility is to express an opinion on these financial statements based on our audit

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Hope House of Milwaukee, Incorporated as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2012, on our consideration of Hope House of Milwaukee, Incorporated's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Hope House of Milwaukee, Incorporated taken as a whole. The accompanying schedules of unrestricted functional revenue and expenses, program revenue and expenses and the schedule of expenditures of federal and state awards required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and in accordance with applicable State of Wisconsin audit guides, are presented for purposes of additional analysis and are 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.

Ritz Holman LLP

RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
April 24, 2012

Ritz Holman LLP
Serving businesses, nonprofits, individuals and trusts

Two Plaza East, Suite 550
330 East Kilbourn Avenue
Milwaukee, WI 53202

t 414 271 1451
f 414 271 7464
ritzholman com

HOPE HOUSE OF MILWAUKEE, INCORPORATED
BALANCE SHEETS
DECEMBER 31, 2011 AND 2010

ASSETS

	2011	2010
CURRENT ASSETS		
Cash and Cash Equivalents	$ 366,898	$ 404,430
Accounts Receivable	46,175	48,470
Grants Receivable	212,306	211,871
Investments	100,000	---
Inventory	17,647	15,031
Prepaid Expenses	6,406	9,611
Total Current Assets	$ 749,432	$ 689,413
FIXED ASSETS		
Land	$ 40,000	$ 40,000
Building and Improvements	2,223,383	2,219,483
Furniture and Equipment	375,745	333,412
Less: Accumulated Depreciation	(1,656,526)	(1,549,006)
Total Fixed Assets	$ 982,602	$ 1,043,889
OTHER ASSETS		
Cash - Protective Payee Accounts	$ 63,502	$ 59,648
WHEDA Replacement Reserve	---	13,213
Total Other Assets	$ 63,502	$ 72,861
TOTAL ASSETS	$ 1,795,536	$ 1,806,163

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	$ 21,956	$ 27,352
Accrued Payroll	55,365	52,555
Accrued Vacation	12,442	10,598
Current Portion of Long-Term Liabilities	5,289	10,000
Total Current Liabilities	$ 95,052	$ 100,505
LONG-TERM LIABILITIES		
Mortgage Payable	$ ---	$ 34,400
Less: Current Portion of Mortgage payable	---	(10,000)
Capital Leases	25,616	---
Less: Current Portion of Capital Leases	(5,289)	---
Total Long-Term Liabilities	$ 20,327	$ 24,400
OTHER LIABILITIES		
Protective Payee Liability	$ 63,502	$ 59,648
Total Other Liabilities	$ 63,502	$ 59,648
Total Liabilities	$ 178,881	$ 184,553
NET ASSETS		
Unrestricted	$ 1,599,534	$ 1,594,171
Temporarily Restricted	17,121	27,439
Total Net Assets	$ 1,616,655	$ 1,621,610
TOTAL LIABILITIES AND NET ASSETS	$ 1,795,536	$ 1,806,163

The accompanying notes are an integral part of these financial statements

HOPE HOUSE OF MILWAUKEE, INCORPORATED
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE						
Department of Housing and Urban Development						
Supportive Housing Program	$ 584,741	$ ---	$ 584,741	$ 582,193	$ ---	$ 582,193
Homeless Management Information System	67,160	---	67,160	48,384	---	48,384
Homeless Management Information System Expansion	---	---	---	11,231	---	11,231
Supportive Services - Single Room Occupancy Program	31,423	---	31,423	31,482	---	31,482
City of Milwaukee						
Shelter Grant	96,520	---	96,520	106,327	---	106,327
Community Organizer	44,563	---	44,563	46,901	---	46,901
HPRP Families	72,673	---	72,673	69,892	---	69,892
Youth Program	27,233	---	27,233	28,986	---	28,986
Emergency Shelter Grant	86,971	---	86,971	87,068	---	87,068
Health Care for the Homeless						
State Shelter	21,664	---	21,664	25,664	---	25,664
Angel of Hope Clinic	10,000	---	10,000	10,000	---	10,000
Department of Public Instruction	23,979	---	23,979	28,227	---	28,227
Mercy Housing	141,534	---	141,534	80,245	---	80,245
Milwaukee County - Department of Health Services						
Adult Service	20,482	---	20,482	20,482	---	20,482
Community Advocates						
Protective Payee	96,826	---	96,826	90,913	---	90,913
Emergency Shelter Grant	28,945	---	28,945	40,359	---	40,359
Emergency Food and Shelter	21,174	---	21,174	31,484	---	31,484
Brighter Futures	71,436	---	71,436	73,078	---	73,078
Wisconsin Housing and Economic Development Authority	---	---	---	5,000	---	5,000
Other Governmental Grants	13,447	---	13,447	14,073	---	14,073
Community Shares	14,869	---	14,869	15,320	---	15,320
Contributions	393,252	17,121	410,373	354,104	27,439	381,543
Interest Income	109	---	109	280	---	280
Donated Goods and Services	360,025	---	360,025	415,134	---	415,134
Other Income	282	---	282	867	---	867
Loss on Disposal of Fixed Assets	---	---	---	(7,480)	---	(7,480)
Net Assets Released From Restrictions	27,439	(27,439)	---	32,500	(32,500)	---
Total Revenue	$ 2,256,747	$ (10,318)	$ 2,246,429	$ 2,242,714	$ (5,061)	$ 2,237,653
EXPENSES						
Program Services	$ 1,994,890	$ ---	$ 1,994,890	$ 1,962,603	$ ---	$ 1,962,603
Management and General	203,857	---	203,857	202,287	---	202,287
Fund-Raising	52,637	---	52,637	55,761	---	55,761
Total Expenses	$ 2,251,384	$ ---	$ 2,251,384	$ 2,220,651	$ ---	$ 2,220,651
CHANGE IN NET ASSETS	$ 5,363	$ (10,318)	$ (4,955)	$ 22,063	$ (5,061)	$ 17,002
Net Assets, Beginning of Year	1,594,171	27,439	1,621,610	1,572,108	32,500	1,604,608
NET ASSETS, END OF YEAR	$ 1,599,534	$ 17,121	$ 1,616,655	$ 1,594,171	$ 27,439	$ 1,621,610

The accompanying notes are an integral part of these financial statements

HOPE HOUSE OF MILWAUKEE, INCORPORATED
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (4,955)	$ 17,002
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	107,520	101,041
Loss on Disposal of Fixed Assets	---	7,480
Decrease in Accounts Receivable	2,295	17,440
Increase in Grants Receivable	(435)	(74,375)
(Increase) Decrease in Inventory	(2,616)	2,889
(Increase) Decrease in Prepaid Expenses	3,205	(5,374)
(Increase) Decrease in Other Assets	13,213	(3,529)
Increase (Decrease) in Accounts Payable	(5,396)	377
Increase in Accrued Payroll	2,810	8,791
Increase (Decrease) in Accrued Vacation	1,844	(246)
Net Cash Provided by Operating Activities	$ 117,485	$ 71,496
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	$ (17,017)	$ (46,166)
Purchase of CD Investment	(100,000)	---
Net Cash Used in Investing Activities	$ (117,017)	$ (46,166)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Mortgage	$ (34,400)	$ (10,000)
Payments on Capital Lease	(3,600)	---
Net Cash Used in Financing Activities	$ (38,000)	$ (10,000)
Net (Decrease) Increase in Cash and Cash Equivalents	$ (37,532)	$ 15,330
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	404,430	389,100
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 366,898	$ 404,430
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	$ 2,162	$ 2,176

Capital lease obligations of $21,106 and $8,110 were incurred when the Organization entered into new leases for new phone and copier equipment in 2011.

The accompanying notes are an integral part of these financial statements

HOPE HOUSE OF MILWAUKEE, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

NOTE A - Summary of Significant Accounting Policies

Organization
Hope House of Milwaukee, Incorporated (the "Organization") is a not-for-profit corporation organized under the laws of the State of Wisconsin. The mission of the Organization is to end homelessness and create healthy communities within the city of Milwaukee.

Financial Statement Presentation
The Organization follows accounting standards contained in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) for nongovernmental entities.

Cash and Cash Equivalents
The Organization considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents

The Organization currently services protective payee accounts. Included in the protective payee accounts is cash, which is required to be held in a separate bank account. Restricted cash as of December 31, 2011 and 2010 was $63,502 and $59,648, respectively.

Fixed Assets
Fixed Assets are recorded at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of buildings (27 years), improvements (5 to 27 years) and furniture and equipment (3 to 10 years). Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. The Organization capitalizes all fixed assets greater than $1,500

Accounts Receivable
Accounts and grants receivable are considered fully collectible; therefore, no allowance for doubtful accounts is considered necessary. It is the policy of the Organization to write off doubtful amounts directly to expense when deemed uncollectible.

Inventory
Donated product inventory is computed using the average wholesale value of one pound of product and the number of cases of formula as reported by a local food pantry.

Basis of Presentation
The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets Assets of the restricted classes are created only by donor-imposed restrictions

NOTE A - Summary of Significant Accounting Policies (continued)

Contributions
All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

Contract Services
Contract Services revenue represents grants and contracts with various funding sources. Revenue is recognized on cost reimbursement contracts in the accounting period when the expenses are incurred. Revenue is recognized on performance contracts in the accounting period based on the accomplishment of contract objectives without regard for expenditures Grants and contracts received by the various funding sources remain subject to audit for all years not closed by grantors. In the opinion of management, no provision is needed for any adjustments that may result from such audits.

Contributions of Volunteer Services and Personal Property
The accompanying financial statements reflect the value of individuals providing the Organization with certain specialized skills (i.e doctor or teacher). Contributed volunteer services are recorded based upon the actual number of hours provided at the volunteer's prevailing hourly rates. Other unpaid volunteers provide services to the Organization, but these services do not meet the criteria for recognition as contributed services and, therefore, are not reflected in the accompanying financial statements.

Donations of personal property are recorded as contributions based upon estimated fair market value. Personal property includes items such as equipment, food and clothing.

The accompanying financial statements include volunteer services and personal property as donated goods and services and amounted to $360,025 and $415,134 for the years ended December 31, 2011 and 2010, respectively. Included in this amount is $17,647 and $15,031, which is reflected as inventory on the financial statements as of December 31, 2011 and 2010, respectively. All donations, including those classified as general and administrative, are passed through to clients.

Allocation of Functional Expenses
Functional expenses are allocated to each program based on direct expenditures incurred Any expenditure not directly chargeable is allocated to the programs based on the (1) appropriate level of employee full-time equivalents worked within that program or (2) square footage available to the applicable program.

Reclassifications
Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

NOTE A - Summary of Significant Accounting Policies (continued)

Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates

NOTE B - Grants Receivable

Grants Receivable consists of the following as of December 31.

Source	2011	2010
U.S. Department of Housing and Urban Development	$ 89,122	$ 87,928
City of Milwaukee	38,368	44,125
Health Care for the Homeless	4,247	729
Department of Public Instruction	3,526	5,295
Mercy Housing	3,695	39,032
Community Advocates	66,395	34,286
Department of Health and Human Services	3,414	---
Other Government	3,539	476
Total	$212,306	$211,871

NOTE C - Mortgage Payable

The Organization paid off the remaining mortgage payable with the Wisconsin Health and Education Development Authority (WHEDA) with $11,061 cash and the required reserve balance of $13,575 in February of 2011

NOTE D - Temporarily Restricted Net Assets

At December 31, 2011 and 2010, the Organization had temporarily restricted net assets that were available for the following purposes:

	2011	2010
Protective Payee	$ 10,000	$ ---
Shining Star	---	12,000
Food Pantry	7,121	3,955
Mercy Housing	---	11,484
Total	$ 17,121	$ 27,439

NOTE E - Concentration of Risk

The Organization received grants from various agencies whose programs rely on the availability of funding from the United States government. For the years ended December 31, 2011 and 2010, approximately 66% and 64%, respectively, of the Organization's revenue was from sources which relied on revenue from the United States government.

NOTE F - Operating Leases

The Organization leases certain office equipment under terms of non-cancelable operating leases ending at various times. Rent expense for the office equipment was $10,322 and $12,150 for the years ended December 31, 2011 and 2010, respectively.

The following is a schedule, by years, of the future minimum payments required under the leases as of December 31, 2011.

Year	Amount
2012	$ 7,882
2013	2,755
2014	1,739
2015	1,231
2016	615
Total	$ 14,222

NOTE G - Capital Lease - Phone System

During 2011, the Organization entered into a capital lease obligation for a phone system. The cost of $21,106 is included in fixed assets. Total accumulated depreciation was $3,518 at December 31, 2011. Amortization of the capital lease is included in depreciation expense for the year ended December 31, 2011.

Future minimum lease payments are as follows:

Year	Amount
2012	$ 3,719
2013	4,110
2014	4,543
2015	5,020
2016	887
Total	$18,279

NOTE H - Capital Lease - Copier

During 2011, the Organization entered into a capital lease obligation for a copier The Fair Market Value of the copier of $8,110 is included in fixed assets Total accumulated depreciation was $811 at December 31, 2011. Amortization of the capital lease is included in depreciation expense for the year ended December 31, 2011.

Future minimum lease payments are as follows:

Year	Amount
2012	$ 1,570
2013	1,604
2014	1,639
2015	1,674
2016	850
Total	$ 7,337

NOTE I - Retirement Plan

The Organization made a discretionary payment of the lesser of three percent of an employee's gross wages or the employee's annual contribution to the plan Employer contributions to the plan during the year ended December 31, 2011 and 2010, were $18,602 and $14,387, respectively.

NOTE J - Fair Value Measurements

The Organization has adopted the Financial Accounting Standards Board guidance on fair value measurements A three-tier hierarchy is used to maximize the use of observable market data inputs and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets Financial assets valued using level 3 inputs are based primarily on valuation models with significant unobservable pricing inputs and which result in the use of management estimates.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2010:

Investment Category	Fair Value	Level 1	Level 2	Level 3
Money Market Funds - 2010	$ 310,502	$ 310,502	$ ---	$ ---

The money market funds are included in cash and cash equivalents on the financial statements The net investment income consisted entirely of interest income Interest income was $280 in 2010.

NOTE K - Line of Credit

The Organization has a $100,000 line of credit which matures November 15, 2012 Amounts borrowed under this agreement bear interest at the prime rate plus 2 75%, but not less than 5.0%. The line of credit is secured by the Organization's investments. As of December 31, 2011, none of the line of credit was drawn on.

NOTE L - Line of Credit

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Management has reviewed all tax positions recognized in previously filed tax returns and those expected to be taken in future tax returns As of December 31, 2011, the Organization had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. The Organization does not anticipate any significant changes to unrecognized income tax benefits over the next year.

NOTE M - Subsequent Events

The Organization has evaluated events and transactions occurring after December 31, 2011 through April 24, 2012, the date the financial statements are available to be issued, for possible adjustments to the financial statements or disclosures The Organization has determined that no subsequent events need to be disclosed.

HOPE HOUSE OF MILWAUKEE, INCORPORATED
SCHEDULE OF UNRESTRICTED FUNCTIONAL REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Chrysalis-Transitional	HMIS	Threshold - Emergency	SRO	US Food Pantry Food Service	Angel of Hope Clinic	Shining Star	Path to Progress	Community Outreach	Protective Payee	Mercy Housing	Rapid Re-Housing	Management and General	Fund-Raising	Total
REVENUES															
Department of Housing and Urban Development															
Supportive Housing Program	$ 584,356	$ —	$ —	$ —	$ —	$ —	$ 385	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 584,741
Homeless Management Information System	—	67,160	—	—	—	—	—	—	—	—	—	—	—	—	67,160
Homeless Management Information System Expansion	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Supportive Services - Single Room Occupancy Program	—	—	—	31,423	—	—	—	—	—	—	—	—	—	—	31,423
City of Milwaukee															
Shelter Grant	76,410	—	20,110	—	—	—	—	—	—	—	—	—	—	—	96,520
Community Organizer	—	—	—	—	—	—	—	—	44,563	—	—	—	—	—	44,563
HPRP Families	—	4,031	—	—	—	—	—	—	—	—	—	68,642	—	—	72,673
Youth Program	—	—	—	—	—	—	27,233	—	—	—	—	—	—	—	27,233
Emergency Shelter Grant	74,936	—	12,035	—	—	—	—	—	—	—	—	—	—	—	86,971
Health Care for the Homeless															
State Shelter	—	—	21,664	—	—	—	—	—	—	—	—	—	—	—	21,664
Angel of Hope Clinic	—	—	—	—	—	10,000	—	—	—	—	—	—	—	—	10,000
Department of Public Instruction	23,979	—	—	—	—	—	—	—	—	—	—	—	—	—	23,979
Mercy Housing	—	—	—	—	—	—	—	—	—	—	141,534	—	—	—	141,534
Milwaukee County - DHHS															
Adult Service	—	—	20,482	—	—	—	—	—	—	—	—	—	—	—	20,482
Community Advocates															
Protective Payee	—	—	—	—	—	—	—	—	—	96,826	—	—	—	—	96,826
Emergency Shelter Grant	17,371	—	11,574	—	—	—	—	—	—	—	—	—	—	—	28,945
Emergency Food and Shelter	—	—	21,174	—	—	—	—	—	—	—	—	—	—	—	21,174
Brighter Futures	—	—	—	—	—	—	71,436	—	—	—	—	—	—	—	71,436
Wisconsin Housing and Economic Development Authority	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Governmental Grants	—	13,447	—	—	—	—	—	—	—	—	—	—	—	—	13,447
Community Shares	—	—	—	—	—	—	—	—	—	—	—	—	—	14,869	14,869
Contributions	29,030	—	44,300	1,000	12,926	—	19,304	7,500	—	25,000	—	—	254,092	100	393,252
Interest Income	—	—	—	—	—	—	—	—	—	—	—	—	109	—	109
Donated Goods and Services	91,543	—	21,785	5,512	185,483	—	17,472	1,733	14,746	8,915	3,300	7,402	2,134	—	360,025
Other Income	—	—	—	—	—	—	—	179	—	—	—	—	103	—	282
Loss on Disposal of Fixed Assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net Assets Released From Restrictions	—	—	—	—	3,955	—	12,000	—	—	—	11,484	—	—	—	27,439
Total Revenue (Carried Forward)	$ 897,625	$ 84,638	$ 173,124	$ 37,935	$ 202,364	$ 10,000	$ 147,830	$ 9,412	$ 59,309	$ 130,741	$ 156,318	$ 76,044	$ 256,438	$ 14,969	$ 2,256,747

HOPE HOUSE OF MILWAUKEE, INCORPORATED
SCHEDULE OF UNRESTRICTED FUNCTIONAL REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Chrysalis-Transitional	HMIS	Threshold - Emergency	SRO	US Food Pantry Food Service	Angel of Hope Clinic	Shining Star	Path to Progress	Community Outreach	Protective Payee	Mercy Housing	Rapid Re-Housing	Management and General	Fund-Raising	Total
Total Revenue (Brought Forward)	$ 897,625	$ 84,638	$ 173 124	$ 37,935	$ 202,364	$ 10,000	$ 147,830	$ 9,412	$ 59,309	$ 130,741	$ 156,318	$ 76,044	$ 256,438	$ 14,969	$ 2,256,747
EXPENSES															
Employee Expenses															
Salaries and Wages	$ 521,112	$ 59,980	$ 91,303	$ 30,177	$ 2,641	$ 7,029	$ 82,672	$ 12 669	$ 33,347	$ 91,082	$ 117,956	$ 47,987	$ 11,298	$ 38,409	$ 1,147,662
Retirement	8,199	1,415	924	902	79	—	455	379	714	2,468	2,479	440	31	117	18,602
Payroll Taxes	38,167	4,425	6,770	2,218	197	537	6,180	944	2,432	6,771	8,536	3,362	718	2,843	84,100
Unemployment Insurance	5,725	602	1,139	230	29	67	1,133	68	430	721	1,022	356	195	329	12,046
Worker Compensation	10,540	1,229	1,774	611	53	142	1,674	253	667	1,841	2,382	966	196	774	23,102
Health, Dental, Disability Ins	78,127	9,772	9,860	5,209	259	97	8,057	1,111	8,393	11,351	28,091	18,440	238	378	179,383
Training	—	1,043	—	—	—	—	70	—	40	9	332	67	704	—	2,265
Travel	1,243	1,847	24	971	121	5	30	18	154	3,413	1,074	2,392	538	16	11,846
Total Employee Expenses	663,113	80,313	111,794	40,318	3,379	7,877	100,271	15,442	46,177	117,656	161,872	74,010	13,918	42,866	1,479,006
Outside Services															
Professional Fees	—	4,016	—	—	—	—	150	—	—	—	—	—	432	—	4,598
Audit Fees	7,600	291	950	—	—	—	190	190	—	—	—	—	279	—	9,500
Insurance	13,141	519	1,728	—	519	346	346	173	—	519	—	—	—	—	17,291
Advertising	—	—	—	—	—	—	—	—	—	—	—	—	175	—	175
Recruitment	405	100	20	—	—	—	100	—	—	—	—	—	—	—	625
Membership, Dues and Fees	43	88	11	—	—	—	54	—	131	—	—	—	5,253	1,390	6,970
Subscriptions	—	—	—	—	—	—	—	—	—	—	—	—	25	43	68
Bank Fees and Interest	1,401	50	184	—	55	4	37	18	—	50	—	—	2,650	—	4,449
Total Outside Services	22,590	5,064	2,893	—	574	350	877	381	131	569	—	—	8,814	1,433	43,676
Operating Expenses															
Food-Perishable and Non-Perishable	31,448	—	14,022	231	2,706	—	1,101	—	272	—	—	—	589	200	50,569
General Program Expenses	126	—	39	—	25	—	—	—	—	—	—	—	1,126	400	1,716
Office Supplies	275	145	505	212	276	8	464	4	126	579	446	89	2,158	1,249	6,536
Computer Software	—	—	—	—	—	—	—	—	—	—	—	—	2,654	1,073	3,727
Postage	30	—	—	15	—	—	15	—	60	480	15	15	237	1,030	1,897
Printing/Publication	565	—	74	—	22	14	15	7	—	544	—	—	217	393	1,851
Total Operating Expenses	32,444	145	14,640	458	3,029	22	1,595	11	458	1,603	461	104	6,981	4,345	66,296
Client Expenses															
Adult Education Fees	—	—	—	—	—	—	—	437	—	—	—	—	—	—	437
Youth Education Field Trip/Workshop	—	—	—	—	—	—	5,481	—	—	—	—	—	—	—	5,481
Beneficiary Supplies	448	—	227	—	—	—	—	16	—	1	1,086	—	—	—	1,778
Transportation Assistance	2,839	—	2,730	—	—	—	5,808	—	—	—	1,260	—	—	—	12,637
Rent Assistance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Clothing Assistance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Donated Services and Supplies	91,543	—	21,785	5,462	183,472	—	17,317	1,733	14,746	8,915	3,300	7,402	1,584	150	357,409
Total Client Expenses	94,830	—	24,742	5,462	183,472	—	28,606	2,186	14,746	8,916	5,646	7,402	1,584	150	377,742
Building Operating Expenses															
Building Supplies	21,102	819	2,748	—	819	546	546	273	—	819	—	—	153	—	27,825
Building Maintenance Services	19,293	632	3,112	—	632	421	421	210	—	632	—	—	—	—	25,353
Kitchen Supplies	149	—	—	—	—	—	—	—	—	—	—	—	—	—	149
Equipment	11	416	—	—	—	—	1,657	—	—	—	—	—	645	—	2,729
Equipment Maintenance	8,786	109	835	—	288	—	132	66	—	109	—	—	309	—	10,634
Equipment Rental	12,959	386	1,702	—	581	12	339	170	892	387	—	—	(199)	2,179	19,408
Storage Rent	—	—	—	—	—	—	—	—	23	—	—	—	—	1,655	1,678
Furnishings	1,790	—	383	—	—	—	—	—	—	—	—	—	—	—	2,173
Telephone	20,219	1,359	2,580	505	773	515	1,063	258	505	2,113	1,053	—	—	—	30,943
Internet Services	6,021	580	792	—	238	158	158	79	—	238	—	—	—	9	8,273
Utilities	36,472	1,434	4,796	—	1,439	956	959	480	—	1,434	—	—	9	—	47,979
Depreciation	80,679	106	10,616	—	3,185	2,053	2,123	1,061	—	105	—	—	7,592	—	107,520
Total Building Operating Expenses	207,481	5,841	27,564	505	7,955	4,661	7,398	2,597	1,420	5,837	1,053	—	8,509	3,843	284,664
Total Expenses	$ 1,020,458	$ 91,363	$ 181,633	$ 46,743	$ 198,409	$ 12,910	$ 138,747	$ 20,617	$ 62,932	$ 134,581	$ 169,032	$ 81,516	$ 39,806	$ 52,637	$ 2,251,384
CHANGE IN NET ASSETS	$ (122,833)	$ (6,725)	$ (8,509)	$ (8,808)	$ 3,955	$ (2,910)	$ 9,083	$ (11,205)	$ (3,623)	$ (3,840)	$ (12,714)	$ (5,472)	$ 216,632	$ (37,668)	$ 5,363
CAPITAL EXPENSES	$ 31,787	$ —	$ 3,870	$ —	$ 2,391	$ —	$ 5,752	$ —	$ 217	$ —	$ —	$ —	$ 2,149	$ —	$ 46,166

HOPE HOUSE OF MILWAUKEE, INCORPORATED
SCHEDULE OF UNRESTRICTED FUNCTIONAL REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

	Chrysalis-Transitional	HMIS	Threshold - Emergency	SRO	US Food Pantry Food Service	Angel of Hope Clinic	Shining Star	Path to Progress	Community Outreach	Protective Payee	Mercy Housing	Rapid Re-Housing	Management and General	Fund-Raising	Total
REVENUES															
Department of Housing and Urban Development															
Supportive Housing Program	$ 576,229	$ —	$ —	$ —	$ —	$ —	$ 5,964	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 582,193
Homeless Management Information System	—	48,384	—	—	—	—	—	—	—	—	—	—	—	—	48,384
Homeless Management Information System Expansion	—	11,231	—	—	—	—	—	—	—	—	—	—	—	—	11,231
Supportive Services - Single Room Occupancy Program	—	—	—	31,482	—	—	—	—	—	—	—	—	—	—	31,482
City of Milwaukee															
Shelter Grant	83,157	—	23,170	—	—	—	—	—	—	—	—	—	—	—	106,327
Community Organizer	—	—	—	—	—	—	—	—	46,901	—	—	—	—	—	46,901
HPRP Families	—	—	—	—	—	—	—	—	—	—	—	69,892	—	—	69,892
Youth Program	—	—	—	—	—	—	28,986	—	—	—	—	—	—	—	28,986
Emergency Shelter Grant	75,045	—	12,023	—	—	—	—	—	—	—	—	—	—	—	87,068
Health Care for the Homeless															
State Shelter	—	—	25,664	—	—	—	—	—	—	—	—	—	—	—	25,664
Angel of Hope Clinic	—	—	—	—	—	10,000	—	—	—	—	—	—	—	—	10,000
Department of Public Instruction	28,227	—	—	—	—	—	—	—	—	—	—	—	—	—	28,227
Mercy Housing	—	—	—	—	—	—	—	—	—	—	80,245	—	—	—	80,245
Milwaukee County - DHHS															
Adult Service	—	—	20,482	—	—	—	—	—	—	—	—	—	—	—	20,482
Community Advocates															
Protective Payee	—	—	—	—	—	—	—	—	—	90,913	—	—	—	—	90,913
Emergency Shelter Grant	25,835	—	14,524	—	—	—	—	—	—	—	—	—	—	—	40,359
Emergency Food and Shelter	—	—	31,484	—	—	—	—	—	—	—	—	—	—	—	31,484
Brighter Futures	—	—	—	—	—	—	73,078	—	—	—	—	—	—	—	73,078
Wisconsin Housing and Economic Development Authority	5,000	—	—	—	—	—	—	—	—	—	—	—	—	—	5,000
Other Governmental Grants	—	14,073	—	—	—	—	—	—	—	—	—	—	—	—	14,073
Community Shares	—	—	—	—	—	—	—	—	—	—	—	—	—	15,320	15,320
Contributions	32,891	—	70	—	9,349	—	28,407	8,100	—	—	—	—	274,119	1,168	354,104
Interest Income	—	—	—	—	—	—	—	—	—	—	—	—	280	—	280
Donated Goods and Services	102,469	—	28,619	10,310	202,099	—	10,052	4,026	30,928	12,399	1,984	6,378	5,870	—	415,134
Other Income	—	—	—	—	—	—	—	95	—	—	—	—	772	—	867
Loss on Disposal of Fixed Assets	(5,685)	—	(748)	—	(224)	(150)	(150)	(75)	—	—	—	—	(448)	—	(7,480)
Net Assets Released From Restrictions	2,500	—	—	—	5,000	—	—	—	—	25,000	—	—	—	—	32,500
Total Revenue (Carried Forward)	$ 925,668	$ 73,688	$ 155,288	$ 41,792	$ 216,224	$ 9,850	$ 146,337	$ 12,146	$ 77,829	$ 128,312	$ 82,229	$ 76,270	$ 280,593	$ 16,488	$ 2,242,714

HOPE HOUSE OF MILWAUKEE, INCORPORATED
SCHEDULE OF UNRESTRICTED FUNCTIONAL REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

	Chrysalis-Transitional	HMIS	Threshold - Emergency	SRO	US Food Pantry Food Service	Angel of Hope Clinic	Shining Star	Path to Progress	Community Outreach	Protective Payee	Mercy Housing	Rapid Re-Housing	Management and General	Fund-Raising	Total
Total Revenue (Brought Forward)	$ 925,668	$ 73,688	$ 155,288	$ 41,792	$ 216,224	$ 9,850	$ 146,337	$ 12,146	$ 77,829	$ 128,312	$ 82,229	$ 76,270	$ 280,593	$ 16,488	$ 2,242,714
EXPENSES															
Employee Expenses															
Salaries and Wages	$ 531,039	$ 44,810	$ 99,253	$ 28,571	$ 376	$ 6,870	$ 85,045	$ 10,466	$ 38,906	$ 84,833	$ 53,969	$ 45,450	$ 11,381	$ 44,039	$ 1,085,008
Retirement	7,252	1,312	1,138	677	—	—	409	130	—	1,275	1,520	338	119	217	14,387
Payroll Taxes	39,425	3,269	7,405	2,124	28	525	6,333	782	2,912	6,338	4,029	3,258	887	3,285	80,600
Unemployment Insurance	5,809	340	1,222	252	10	63	1,208	66	637	690	321	357	198	355	11,528
Worker Compensation	13,940	1,166	2,602	751	11	180	2,265	291	1,021	2,250	1,289	1,187	296	1,149	28,398
Health, Dental, Disability Ins	74,571	11,737	11,737	5,082	—	95	13,152	1,152	4,219	11,249	3,998	17,418	108	411	154,929
Training	965	182	243	69	19	62	13	6	50	625	217	75	38	—	2,564
Travel	1,641	1,826	177	955	94	5	107	2	51	4,711	403	2,214	592	2	12,780
Total Employee Expenses	674,642	64,642	123,777	38,481	538	7,800	108,532	12,895	47,796	111,971	65,746	70,297	13,619	49,458	1,390,194
Outside Services															
Professional Fees	—	6,438	—	340	—	—	—	—	—	—	—	—	2,215	—	8,993
Audit Fees	7,274	552	910	—	—	—	182	182	—	—	—	—	—	—	9,100
Insurance	13,348	513	1,711	—	171	342	342	171	—	513	—	—	—	—	17,111
Recruitment	750	—	100	—	—	—	1,200	—	—	—	275	—	—	—	2,325
Membership, Dues and Fees	27	—	—	—	50	—	123	—	266	—	—	—	5,069	600	6,135
Bank Fees and Interest	1,655	—	218	—	65	44	44	23	—	—	—	—	2,132	—	4,181
Total Outside Services	23,054	7,503	2,939	340	286	386	1,891	376	266	513	275	—	9,416	600	47,845
Operating Expenses															
Food-Penshable and Non-Penshable	29,649	—	12,291	215	147	—	890	—	287	—	64	64	296	117	44,020
General Program Expenses	—	—	—	—	—	—	—	—	—	—	—	—	1,800	—	1,800
Office Supplies	288	85	358	258	143	8	442	16	137	573	734	27	2,443	1,210	6,722
Computer Software	304	12	39	—	4	8	373	4	139	12	—	—	3,182	850	4,927
Postage	83	33	16	30	1	1	21	1	—	682	20	10	462	1,805	3,165
Printing/Publication	—	—	—	—	—	—	—	—	—	744	—	—	183	749	1,676
Subscriptions	—	—	—	—	—	—	—	—	—	—	—	—	69	43	112
Total Operating Expenses	30,324	130	12,704	503	295	17	1,726	21	563	2,011	818	101	8,435	4,774	62,422
Client Expenses															
Adult Education Fees	—	—	—	—	—	—	—	1,188	—	—	—	—	—	—	1,188
Youth Education Field Trip/Workshop	—	—	—	—	—	—	7,483	—	—	—	—	—	—	—	7,483
Beneficiary Supplies	766	—	1,013	18	—	—	—	—	—	35	8,829	—	—	—	10,661
Transportation Assistance	2,048	—	2,818	—	—	—	5,094	—	—	—	4,584	—	—	—	14,544
Rent Assistance	—	—	2,975	—	—	—	—	—	—	—	—	—	—	—	2,975
Clothing Assistance	82	—	—	—	—	—	—	—	—	—	—	—	—	—	82
Donated Services and Supplies	102,468	—	28,619	10,310	204,989	—	10,052	4,026	30,928	12,400	1,129	7,233	5,870	—	418,024
Total Client Expenses	105,364	—	35,425	10,328	204,989	—	22,629	5,214	30,928	12,435	14,542	7,233	5 870	—	454,957
Building Operating Expenses															
Building Supplies	23,762	874	2,912	69	291	582	582	291	23	873	—	—	—	—	30,259
Building Maintenance Services	16,856	648	2,161	—	217	432	432	216	—	649	—	—	629	—	22,240
Kitchen Supplies	30	—	—	—	—	—	—	—	—	—	—	—	—	—	30
Equipment	1,216	1,207	248	—	—	—	166	—	898	693	—	—	813	903	6,144
Equipment Maintenance	6,136	169	857	—	232	—	155	77	—	169	—	—	126	—	7,921
Equipment Rental	12,580	369	1,614	—	484	12	323	161	907	369	—	—	231	—	17,050
Storage Rent	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Furnishings	1,068	—	—	—	—	—	—	—	—	600	—	—	—	—	1,668
Telephone	17,819	1,183	2,251	142	224	449	652	229	113	1,201	58	222	—	—	24,543
Internet Services	4,654	179	597	—	60	119	119	59	—	179	—	—	9	26	6,001
Utilities	37,702	1,450	4,834	—	483	967	967	483	—	1,450	—	—	—	—	48,336
Depreciation	75,857	—	9,981	—	3,125	1,964	2,520	982	16	—	—	—	6,596	—	101,041
Total Building Operating Expenses	197,680	6,079	25,455	211	5,116	4,525	5,916	2,498	1,957	6,183	58	222	8,404	929	265,233
Total Expenses	$ 1,031,064	$ 78,354	$ 200,300	$ 49,863	$ 211,224	$ 12,728	$ 140,694	$ 21,004	$ 81,510	$ 133,113	$ 81,439	$ 77,853	$ 45,744	$ 55,761	$ 2,220,651
CHANGE IN NET ASSETS	$ (105,396)	$ (4,666)	$ (45,012)	$ (8,071)	$ 5,000	$ (2,878)	$ 5,643	$ (8,858)	$ (3,681)	$ (4,801)	$ 790	$ (1,583)	$ 234,849	$ (39,273)	$ 22,063
CAPITAL EXPENSES	$ 31,787	$ —	$ 3,870	$ —	$ 2 391	$ —	$ 5,752	$ —	$ 217	$ —	$ —	$ —	$ 2,149	$ —	$ 46,166

HOPE HOUSE OF MILWAUKEE, INCORPORATED
SCHEDULE OF PROGRAM REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

Program Name : Emergency Shelter

	Actual	Approved Budget	Variance From Budget
REVENUE			
Contributions and Donations	$ 66,085	$ 82,731	$ (16,646)
Grants From Government Agencies	86,556	86,912	(356)
Department of Human Services Revenue	20,482	20,482	---
Total Revenue	$ 173,123	$ 190,125	$ (17,002)
EXPENSES			
Salaries	$ 91,303	$ 89,960	$ 1,343
Employee Benefits	10,784	10,447	337
Payroll Taxes	9,683	11,993	(2,310)
Professional Fees	970	950	20
Supplies	505	443	62
Telephone	3,373	3,356	17
Postage and Shipping	---	50	(50)
Occupancy	21,456	20,305	1,151
Equipment Costs	3,963	3,997	(34)
Printing and Publications	74	189	(115)
Employee Travel	24	100	(76)
Conferences, Conventions, and Meetings	---	200	(200)
Specific Assistance to Individuals	36,034	45,500	(9,466)
Membership Dues	11	---	11
Client Transportation	2,730	1,955	775
Miscellaneous	687	680	7
Total Expenses	$ 181,597	$ 190,125	$ (8,528)

HOPE HOUSE OF MILWAUKEE, INC.
SCHEDULE OF PROGRAM REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

Program Name : Emergency Shelter

	Actual	Approved Budget	Variance From Budget
REVENUE			
Contributions and Donations	$ 28,689	$ 70,235	$ (41,546)
Grants From Government Agencies	106,865	101,474	5,391
Department of Human Services Revenue	20,482	20,482	---
Loss on Disposal of Fixed Assets	(748)	---	(748)
Total Revenue	$ 155,288	$ 192,191	$ (36,903)
EXPENSES			
Salaries	$ 99,253	$ 96,721	$ 2,532
Employee Benefits	12,875	12,115	760
Payroll Taxes	11,229	11,725	(496)
Professional Fees	1,010	910	100
Supplies	397	400	(3)
Telephone	2,848	2,550	298
Postage and Shipping	16	50	(34)
Occupancy	20,535	20,384	151
Equipment Costs	3,665	3,912	(247)
Printing and Publications	---	73	(73)
Employee Travel	177	135	42
Conferences, Conventions, and Meetings	243	180	63
Specific Assistance to Individuals	44,897	40,000	4,897
Client Transportation	2,818	2,700	118
Miscellaneous	337	336	1
Total Expenses	$ 200,300	$ 192,191	$ 8,109

HOPE HOUSE OF MILWAUKEE, INCORPORATED
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Federal Expenditures
FEDERAL EXPENDITURES		
U.S. Department of Agriculture		
State of Wisconsin - Department of Public Instruction		
Child and Adult Food Program	10.558	$ 23,979
U.S. Department of Housing and Urban Development		
City of Milwaukee		
Community Development Block Grant		
Shelter Grant	14 218	96,520
Community Organizer	14 218	44,563
Youth Programs	14.218	27,233
Emergency Shelter Grant	14.231	86,971
Homelessness Prevention and Rapid Re-Housing- ARRA	14.257	72,673
Direct Award		
Transitional Housing Program	14 235	584,356
Youth Education	14 235	385
Supporting Housing Program (HMIS)	14.235	67,160
Supportive Services - SRO	14.235	31,423
Community Advocates		
Emergency Shelter Grant	14.231	28,945
Protective Payee	14 235	96,826
U.S Department of Health and Social Services		
Milwaukee Health Care for the Homeless	93 224	10,000
Milwaukee County Department of Health and Human Services		
Emergency Shelter Grant	93.658	20,482
Community Advocates		
Brighter Futures	93.959	71,436
U.S. Department of Homeland Security		
Community Advocates		
Emergency Food and Shelter Program	97 024	21,174
TOTAL FEDERAL EXPENDITURES		$ 1,284,126

State Grantor/ Pass-Through Grantor/ Program or Cluster Title	State Expenditures
STATE EXPENDITURES	
Milwaukee Health Care for the Homeless	$ 21,664
TOTAL STATE EXPENDITURES	$ 21,664

The accompanying note is an integral part of this schedule.

HOPE HOUSE OF MILWAUKEE, INCORPORATED
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1 - Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Hope House of Milwaukee, Incorporated and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and applicable State of Wisconsin audit guides. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* and Applicable State of Wisconsin Audit Guides

To the Board of Directors of
Hope House of Milwaukee, Incorporated

We have audited the financial statements of Hope House of Milwaukee, Incorporated as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated April 24, 2012 We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in accordance with applicable State of Wisconsin audit guides

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Hope House of Milwaukee, Incorporated's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting

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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hope House of Milwaukee, Incorporated's financial statements are free of 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* or in accordance with applicable State of Wisconsin audit guides.

Ritz Holman LLP
Serving businesses, nonprofits, individuals and trusts

Two Plaza East, Suite 550
330 East Kilbourn Avenue
Milwaukee, WI 53202

t 414 271 1451
f 414 271 7464
ritzholman com

We noted certain matters that we reported to management of Hope House of Milwaukee, Incorporated in a separate letter dated April 24, 2012.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties

Ritz Holman LLP

RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
April 24, 2012

RitzHolman CPAs

Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Board of Directors of
Hope House of Milwaukee, Incorporated

Compliance

We have audited the compliance of Hope House of Milwaukee, Incorporated with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2011 and 2010. Hope House of Milwaukee, Incorporated's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Hope House of Milwaukee, Incorporated's management Our responsibility is to express an opinion on Hope House of Milwaukee, Incorporated's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hope House of Milwaukee, Incorporated'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. Our audit does not provide a legal determination on Hope House of Milwaukee, Incorporated's compliance with those requirements.

In our opinion, Hope House of Milwaukee, Incorporated complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2011 and 2010

Internal Control Over Compliance

Management of Hope House of Milwaukee, Incorporated is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Hope House of Milwaukee, Incorporated's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance Accordingly, we do not express an opinion on the effectiveness of Hope House of Milwaukee, Incorporated's internal control over compliance

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Two Plaza East, Suite 550
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Milwaukee, WI 53202

t 414 271 1451
f 414 271 7464
ritzholman com

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 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 a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties

Ritz Holman LLP

RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
April 24, 2012

HOPE HOUSE OF MILWAUKEE, INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1.	Type of auditor's report issued	Unqualified
2.	Internal control over financial reporting	
	a Material weakness(es) identified?	No
	b. Significant deficiencies identified?	None Reported
3.	Noncompliance material to financial statements noted?	No

Federal Awards

4	Internal control over major programs:	
	a. Material weakness(es) identified?	No
	b. Significant deficiencies identified?	None Reported
5.	Type of auditor's report issued on compliance for major programs:	Unqualified
6.	Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	No
7	Identification of major programs:	CFDA No.
	U S. Department of Housing and Urban Development Transitional Housing Program	14.235
8	Dollar threshold used to distinguish between Type A and Type B programs.	$300,000
9.	Auditee qualified as low-risk auditee?	No

HOPE HOUSE OF MILWAUKEE, INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

B. FINANCIAL STATEMENT FINDINGS

No matters were reported.

C. FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

D. OTHER ISSUES

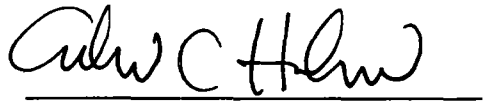
1 Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? — No

2. Does the audit report show audit issues (i.e., material noncompliance, non-material noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with applicable State of Wisconsin audit guides?

Department of Children and Families	N/A
Department of Health Services	N/A
Department of Workforce Development	N/A
Department of Corrections	N/A

3 Was a Management Letter or other document conveying audit comments issued as a result of this audit? — Yes

4. Name and signature of partner



ANDREW C HOLMAN

5. Date of report — April 24, 2012

RitzHolman CPAs

Hope House of Milwaukee, Incorporated
209 W. Orchard Street
Milwaukee, WI 53204-2957

In planning and performing our audit of the financial statements of Hope House of Milwaukee, Incorporated for the year ended December 31, 2011, we considered the Organization's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of the following matters that are opportunities for strengthening internal controls and operating efficiency:

1. Bank reconciliation statements are not reviewed monthly after prepared by accountant. It is recommended that reconciliation statements be reviewed each month and initialed by the reviewer.

2. Per the Organization's policy, two signatures are required on all checks During the testing of canceled checks, one of the 40 canceled checks was signed by only one authorized signer. It is recommended that all checks be signed by two authorized signers in accordance with the Organization's check signing policy

This letter does not affect our report dated April 24, 2012, on the financial statements of Hope House of Milwaukee, Incorporated.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Ritz Holman LLP

RITZ HOLMAN LLP
Certified Public Accountants

April 24, 2012