
BENILDE HALL

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL
STATEMENTS AND SUPPLEMENTARY INFORMATION**

For the Years Ended December 31, 2011 and 2010

Welch & Associates, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY, MISSOURI

BENILDE HALL

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

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Welch & Associates, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Ten Main Center
920 Main Street, Suite 640
Kansas City, Missouri 64105
Ph. (816) 756-2620 Fax (816) 756-2621
www.welchcpafirm.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Benilde Hall
(Missouri Not-for-profit Organization)

We have audited the accompanying statements of financial position of Benilde Hall (the Organization) as of December 31, 2011 and 2010, and the related statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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 audits provide 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 Benilde Hall as of December 31, 2011 and 2010 and the changes in net assets and 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 October 12, 2012, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Organization taken as a whole. The accompanying Schedule of Expenditures of Federal Awards on page 18 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Welch & Associates, L.L.C.

Welch & Associates, L.L.C.

Kansas City, Missouri

October 12, 2012

FINANCIAL STATEMENTS

BENILDE HALL
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash	\$ 14,576	\$ 2,848
Accounts receivable, net	136,731	119,761
Prepaid expenses	10,887	8,303
TOTAL CURRENT ASSETS	162,194	130,912
Investment	30,000	30,000
Property and equipment, net	1,933,305	2,018,580
TOTAL ASSETS	\$ 2,125,499	\$ 2,179,492
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Bank overdraft	\$ -	\$ 27,921
Accounts payable	43,423	86,514
Payroll liabilities	4,612	3,458
Security deposit	3,306	3,406
Bank line of credit	17,504	69,584
Current portion of long-term debt	29,125	187,868
TOTAL CURRENT LIABILITIES	97,970	378,751
Long-term debt	164,024	194,290
Long-term debt, current	(29,125)	(187,868)
TOTAL LONG-TERM LIABILITIES	134,899	6,422
TOTAL LIABILITIES	232,869	385,173
NET ASSETS		
Unrestricted	1,142,166	727,778
Temporarily restricted	720,464	1,036,541
Permanently restricted	30,000	30,000
TOTAL NET ASSETS	1,892,630	1,794,319
TOTAL LIABILITIES AND NET ASSETS	\$ 2,125,499	\$ 2,179,492

See auditor's report and notes accompanying financial statements

BENILDE HALL
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
REVENUES AND SUPPORT				
Contributions:				
Organizations	\$ 210,402	\$ -	\$ -	\$ 210,402
General public	22,957	-	-	22,957
In-kind	27,500	-	-	27,500
United Way	-	14,724	-	14,724
Government grants	969,829	-	-	969,829
Program fees/rents	368,048	-	-	368,048
Investment income	18	419	-	437
Miscellaneous	15,431	-	-	15,431
Net Assets Released from Restrictions:				
Satisfaction of restrictions	331,220	(331,220)	-	-
TOTAL REVENUES AND SUPPORT	1,945,405	(316,077)	-	1,629,328
EXPENSES				
Program Services:				
Resident Room and Board	1,237,584	-	-	1,237,584
Supporting Services:				
Management and General	152,315	-	-	152,315
Fund Raising	141,118	-	-	141,118
TOTAL EXPENSES	1,531,017	-	-	1,531,017
CHANGE IN NET ASSETS	414,388	(316,077)	-	98,311
NET ASSETS, B.O.Y.	727,778	1,036,541	30,000	1,794,319
NET ASSETS, E.O.Y.	\$ 1,142,166	\$ 720,464	\$ 30,000	\$ 1,892,630

See auditor's report and notes accompanying financial statements

BENILDE HALL
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
REVENUES AND SUPPORT				
Contributions:				
Organizations	\$ 140,217	\$ -	\$ -	\$ 140,217
General public	24,673	-	-	24,673
In-kind	27,750	-	-	27,750
United Way	-	14,724	-	14,724
Government grants	853,141	-	-	853,141
Program fees/rents	296,055	-	-	296,055
Investment income	99	637	-	736
Miscellaneous	35,812	-	-	35,812
Net Assets Released from Restrictions:				
Satisfaction of restrictions	106,404	(106,404)	-	-
TOTAL REVENUES AND SUPPORT	1,484,151	(91,043)	-	1,393,108
EXPENSES				
Program Services:				
Resident Room and Board	1,275,929	-	-	1,275,929
Supporting Services:				
Management and General	178,918	-	-	178,918
Fund Raising	140,904	-	-	140,904
TOTAL EXPENSES	1,595,751	-	-	1,595,751
CHANGE IN NET ASSETS	(111,600)	(91,043)	-	(202,643)
NET ASSETS, B.O.Y.	839,378	1,127,584	30,000	1,996,962
NET ASSETS, E.O.Y.	\$ 727,778	\$ 1,036,541	\$ 30,000	\$ 1,794,319

See auditor's report and notes accompanying financial statements

BENILDE HALL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 98,311	\$ (202,643)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	122,421	117,530
(Increase)/Decrease in Operating Assets:		
Accounts receivable	(16,970)	66,688
Prepaid expenses	(2,584)	(2,588)
Increase/(Decrease) in Operating Liabilities:		
Accounts payable	(43,091)	17,161
Payroll liabilities	1,154	(6,128)
Security deposit	(100)	3,406
Bank line of credit	(52,080)	10,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	107,061	3,426
CASH FLOWS FROM INVESTING ACTIVITIES		
Net purchases of long-term assets	(37,146)	(24,803)
NET CASH USED IN INVESTING ACTIVITIES	(37,146)	(24,803)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long-term debt	(30,266)	(25,894)
Increase (Decrease) in bank overdraft	(27,921)	27,921
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(58,187)	2,027
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11,728	(19,350)
CASH - BEGINNING OF YEAR	2,848	22,198
CASH - END OF YEAR	\$ 14,576	\$ 2,848
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for :		
Interest	\$ 22,435	\$ 24,867
Taxes	\$ -	\$ -

See auditor's report and notes accompanying financial statements

**BENILDE HALL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 1: ORGANIZATION AND NATURE OF ACTIVITIES

Benilde Hall (the Organization) is a nonprofit organization incorporated in the state of Missouri. The Organization's mission is to promote balanced and responsible independent living by preventing the relapse of chemically dependent homeless persons through housing and substance abuse treatment so they can work and live without the havoc and chaos caused by addiction and homelessness. The Organization's primary sources of revenue are from Department of Veterans Affairs, Department of Housing and Urban Development, State of Missouri, local government grants and donations from other sources.

DESCRIPTION OF PROGRAMS

The Organization operates the following program:

Resident Room and Board

This program provides transitional living, treatment, and a spiritual center for individuals with alcohol and drug addiction issues.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Organization considers cash, checking, saving, and money market bank accounts as cash and cash equivalents.

Promises to Give

Contributions and pledges are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional.

Accounts Receivable

Accounts receivable consist primarily of amounts due from the Department of Veterans Affairs and other government programs as reimbursements or payment for services and contribution from United Way. These amounts have already been reduced for estimated collection fees. Delinquent receivables are written off based on specific circumstances. Recoveries of delinquent receivables previously written off are recorded as revenue when received.

BENILDE HALL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Fair Value Measurement

The carrying amounts of assets and liabilities, except for long-term debts and property and equipment, are reported on the balance sheet at their approximate fair values. The long term debts are secured by the real property which makes it impracticable to estimate the fair value of long term debts. The long term debts are reported at their original value less the total payments made as of the balance sheet date. The measurement of reported value of property and equipment is discussed below in property and equipment note.

Property and Equipment

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at their market value at the time of donation. If donors stipulate how long the asset must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Management believes long lived assets are not impaired as long as it continues to receive significant funding from government agencies (see Note 6).

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Estimated useful lives of the assets are as follows:

Building and improvements	7-27.5 Years
Furniture and equipment	5-7 Years
Vehicles	5 Years

In-Kind Contributions

The Organization records in-kind contributions at the fair value on the date the contribution is received.

Restricted Contributions

The Organization follows the Financial Accounting Standards Board Accounting Standards Codification (ASC) related to *Accounting for Contributions Received and Contributions Made*. In accordance with this topic, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Amounts received which are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted and provides information regarding the amount of support which has satisfied the restricted requirements.

Government Grants and Contracts

Revenue from grants is recognized as the Organization performs the contracted services or incurs expenses eligible for reimbursements under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

BENILDE HALL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Basis of Presentation

Financial statement presentation follows the recommendations of the ASC on *Financial Statements of Not-for-Profit Organizations*. Under this rule, the Organization is required to report 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.

Unrestricted

Unrestricted net assets include all net assets which are neither temporarily nor permanently restricted.

Temporarily Restricted

Temporarily restricted net assets include contributed net assets for which donor-imposed time and purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted.

Permanently Restricted

Permanently restricted net assets include contributed net assets which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

Functional Allocation of Expenses

The indirect functional costs of providing the program and activities of the Organization have been allocated to the program. Program expenses include the direct costs of and the indirect cost allocated to such program.

Income Taxes

The Organization has been designated as tax-exempt organization pursuant to Internal Revenue Code (IRC) Section 501(c)(3). Further, the Organization has been determined not to be private foundation per IRC Section 509(a). Accordingly, no provision for income tax expense or excise tax expense has been made.

Uncertain Tax Positions

The Organization accounts for uncertain tax positions in accordance with the provisions of FASB Codification Topic 740, Income Taxes. Topic 740 clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Organization's income tax returns. Under Topic 740, the Organization is required to report information regarding its exposure to various tax positions taken by the Organization.

As of December 31, 2011 and 2010, management believes the Organization's tax status to be that of a not-for-profit entity and; therefore, has made the decision to classify the Organization as tax exempt. Management has reviewed all sources of revenue and does not believe the Organization to be subject to income tax on unrelated business income. The Organization did not record any interest or penalties in the statement of operations or statement of financial position as of and during the years ended December 31, 2011 and 2010. Tax returns filed for the years ended December 31, 2008 through 2010 remain subject to examination by the Internal Revenue Service.

BENILDE HALL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through October 12, 2012, the date the financial statements were available to be issued.

NOTE 3: BANK LINE OF CREDIT

During the years ended December 31, 2011 and 2010, the Organization had a line of credit with a bank with a maximum borrowing limit of \$75,000. Interest on the line of credit is payable monthly at 5%. The maturity date is April 2, 2013. The outstanding balance at December 31, 2011 and 2010 was \$17,504 and \$69,584. The line of credit is collateralized by real estate.

NOTE 4: PROPERTY AND EQUIPMENT

The major classes of property and equipment for year ended December 31, 2011 are as follows:

	<u>Jan. 1, 2011</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Dec. 31, 2011</u>
Land	\$ 18,608	\$ 0	\$ 0	\$ 18,608
Building – Matt Talbot	1,163,862	0	0	1,163,862
Furniture – Matt Talbot	34,649	0	0	34,649
Building and improvements	1,462,660	0	0	1,462,660
Furniture and equipment	185,745	38,347	8,505	215,587
Vehicles	<u>50,781</u>	<u>2,000</u>	<u>0</u>	<u>52,781</u>
	2,916,305	40,347	8,505	2,948,147
Accumulated depreciation	<u>(897,725)</u>	(122,421)	5,304	<u>(1,014,842)</u>
	<u>\$ 2,018,580</u>			<u>\$ 1,933,305</u>

Cost of property subject to capital lease at December 31, 2011 is \$15,909.

The major classes of property and equipment for year ended December 31, 2010 are as follows:

	<u>Jan. 1, 2010</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Dec. 31, 2010</u>
Land	\$ 18,608	\$ 0	\$ 0	\$ 18,608
Building – Matt Talbot	1,163,862	0	0	1,163,862
Furniture – Matt Talbot	33,953	696	0	34,649
Building and improvements	1,462,660	0	0	1,462,660
Furniture and equipment	170,338	15,407	0	185,745
Vehicles	<u>42,081</u>	<u>8,700</u>	<u>0</u>	<u>50,781</u>
	2,891,502	24,803	0	2,916,305
Accumulated depreciation	<u>(780,195)</u>	(117,530)	0	<u>(897,725)</u>
	<u>\$ 2,111,307</u>			<u>\$ 2,018,580</u>

Cost of property subject to capital lease at December 31, 2010 is \$15,909.

**BENILDE HALL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 5: LONG-TERM DEBT

The long term debt of the Organization is comprised of the following notes and loans:

Note payable to a bank, payable in monthly installments of \$2,158 including interest at 6.5% with a balloon payment due April 7, 2011, collateralized by real estate. The bank has extended the maturity to April 7, 2016 through a note signed on April 26, 2011. \$ 148,482

Note payable to a bank, payable in monthly installments of \$1,172 including interest at 6.5% with final payment due January 14, 2011, collateralized by real estate. The bank has extended the maturity to September 14, 2012 through a note dated January 14, 2011. The loan was fully paid in July, 2012. 9,041

Capital lease obligation for office equipment, payable in monthly installments of \$322 including interest at 10.4% maturing in 2013. 6,501

	164,024
Less current maturities	29,125
	\$ 134,899

Approximate principal payments in each of the next five years are as follows:

Period Ending December 31,	Amount
2012	29,125
2013	20,925
2014	19,050
2015	20,326
2016	74,598

NOTE 6: MAJOR CUSTOMERS

The Organization received a major portion of its total revenues from governmental agencies for the years ended December 31, 2011 and 2010. If a significant reduction in the level of support were to occur, it could have an adverse effect on the Organization's programs and services.

NOTE 7: ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2011 and 2010 consisted of the following:

	2011	2010
Total accounts receivable	\$ 145,096	\$ 119,761
Allowance for doubtful accounts	8,365	0
Net accounts receivable	\$ 136,731	\$ 119,761

**BENILDE HALL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 8: RESTRICTED NET ASSETS

At December 31, temporarily restricted net assets were:

	<u>2011</u>	<u>2010</u>
Housing Economic Development Financing Corporation \$100,000 Community Development Block Grant in the form of an interest-free mortgage loan payable \$833 monthly, collateralized by real estate, maturing 2012; the donor releases its restrictions at the rate of \$833 monthly by forgiving monthly payments as they come due.	\$ 1,671	\$ 11,667
Missouri Housing Trust Fund grants totaling \$300,000, collateralized by real estate, maturing 2011; the donor will completely release its restriction in 2011 if the Organization continues operating its resident room & board program.	0	300,000
Federal Home Loan Bank of Des Moines \$300,000 grant, collateralized by real estate, maturing 2015; the donor will completely release its restriction in 2015 if the Organization continues operating its resident room & board program.	300,000	300,000
United States Department of Housing and Urban Development (HUD) supporting housing grant agreement, the donor will begin releasing its restrictions at the rate of \$40,000 annually commencing 2016.	400,000	400,000
Unexpected investment income from Uporsky Scholarship Endowment Fund restricted for scholarships to students attending the DeLaSalle Education Center.	4,069	3,650
United Way grant	14,724	14,724
Greater KC Community Foundation capacity-building grant.	0	6,500
Total temporarily restricted net assets	<u>\$ 720,464</u>	<u>\$ 1,036,541</u>

At December 31, permanently restricted net assets were:

Uporsky Scholarship Endowment Fund, the income of which is used to provide scholarships to students attending the DeLaSalle Education Center in Kansas City, Missouri. The funds are invested in certificates of deposit.	\$ 30,000	\$ 30,000
Total permanently restricted net assets	<u>\$ 30,000</u>	<u>\$ 30,000</u>

**BENILDE HALL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

NOTE 9: EMPLOYEE BENEFIT PLAN

The Organization sponsors a qualified defined contribution retirement plan (the Plan) for the benefit of its employees. After one year of service with the Organization, the Organization matches 100% of the employee's contribution, up to 4% of employee's compensation. Employees may make elective deferral contributions up to the maximum allowable contribution. Employer and employee contributions vest immediately. For the years ended December 31, 2011 and 2010, the Organization contributed \$5,519 and \$10,480 to the Plan, respectively.

SUPPLEMENTARY INFORMATION

BENILDE HALL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

EXPENSES	<u>Resident Room and Board</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries & wages	\$ 467,394	\$ 69,300	\$ 81,700	\$ 618,394
Payroll Taxes	45,657	6,608	7,810	60,075
Workers compensation	12,263	1,775	2,097	16,135
Employee benefits	28,111	4,069	4,808	36,988
Professional fees	104,270	-	-	104,270
In-kind services	27,500	-	-	27,500
Contract labor	-	12,557	-	12,557
Food	95,547	-	-	95,547
Supplies	23,849	3,201	3,201	30,251
Telephone and postage	2,974	2,974	2,974	8,922
Utilities	54,987	3,055	3,055	61,097
Insurance	13,836	769	769	15,374
Building maintenance	7,393	411	411	8,215
Minor equipment	3,436	303	303	4,042
Equipment repairs	11,694	650	650	12,994
Audit and accounting	-	15,236	-	15,236
Computer software support	-	3,275	-	3,275
Bank charges	-	1,557	-	1,557
Subscription and dues	175	-	-	175
Travel and transportation	19,101	3,183	3,183	25,467
Licenses and permits	2,944	-	-	2,944
Fundraising	-	-	6,765	6,765
Conferences and meetings	2,594	433	433	3,460
Interest expense	7,479	7,478	7,478	22,435
Uncollectable rent	178,476	-	-	178,476
Miscellaneous	9,360	9,360	9,360	28,080
Donation expense	-	-	-	-
Depreciation	110,179	6121	6121	122,421
Bad debts expense	8,365	-	-	8,365
TOTAL EXPENSES	<u><u>\$ 1,237,584</u></u>	<u><u>\$ 152,315</u></u>	<u><u>\$ 141,118</u></u>	<u><u>\$ 1,531,017</u></u>

See auditor's report and notes accompanying financial statements

BENILDE HALL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

EXPENSES	<u>Resident Room and Board</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries & wages	\$ 476,717	\$ 69,300	\$ 81,700	\$ 627,717
Payroll Taxes	45,806	6,630	7,835	60,271
Workers compensation	9,156	1,325	1,567	12,048
Employee benefits	23,346	3,379	3,994	30,719
Professional fees	139,918	-	-	139,918
In-kind services	27,750	-	-	27,750
Contract labor	-	19,808	-	19,808
Food	109,002	-	-	109,002
Supplies	33,372	4,430	4,430	42,232
Telephone and postage	3,206	3,206	3,207	9,619
Utilities	48,680	2,705	2,705	54,090
Insurance	18,434	1,024	1,024	20,482
Building maintenance	22,827	1,268	1,268	25,363
Minor equipment	5,279	850	850	6,979
Equipment repairs	20,480	1,138	1,138	22,756
Audit and accounting	-	29,496	-	29,496
Computer software support	-	4,266	-	4,266
Bank charges	-	934	-	934
Subscription and dues	382	-	-	382
Travel and transportation	13,435	2,239	2,239	17,913
Licenses and permits	2,696	-	-	2,696
Fundraising	-	-	5,027	5,027
Conferences and meetings	3,474	579	579	4,632
Interest expense	8,289	8,289	8,289	24,867
Uncollectable rent	144,697	-	-	144,697
Miscellaneous	9,176	9,175	9,175	27,526
Donation expense	-	3,000	-	3,000
Depreciation	105,776	5,877	5,877	117,530
Bad debts expense	4,031	-	-	4,031
TOTAL EXPENSES	<u>\$ 1,275,929</u>	<u>\$ 178,918</u>	<u>\$ 140,904</u>	<u>\$ 1,595,751</u>

See auditor's report and notes accompanying financial statements

BENILDE HALL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Federal Grantor / Pass Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<u>Department of Veteran Affairs</u>		
VA Homeless Providers Grant and Per Diem Program	64.024	\$ 349,200
HCHV Emergency Housing Program for Homeless Veterans	64.024	151,620
<u>Department of Housing and Urban Development</u>		
Supportive Housing Program	14.235	42,232
Passed through Housing and Economic Development Finance Corporation Community Development Block Grant	14.218	31,885
Passed through Community Planning and Development Continuum of Care	14.235	100,370
Emergency Shelter Grant	14.231	61,432
Passed through Save, Inc. Housing Opportunities for Persons with AIDS	14.241	15,473
<u>Department of Health and Human Services</u>		
Passed through Department of Mental Health, State of Missouri Access to Recovery	93.275	<u>56,092</u>
Total Federal Awards		<u>\$ 808,304</u>

This schedule includes the federal grant activity of Benilde Hall 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. Therefore, some amounts in this schedule may be different than amounts presented in, or used in the preparation of the basic financial statements.

See auditor's report and notes accompanying financial statements

OTHER REPORTS AND SCHEDULES

Welch & Associates, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Ten Main Center
920 Main Street, Suite 640
Kansas City, Missouri 64105
Ph. (816) 756-2620 Fax (816) 756-2621
www.welchcpafirm.com

INDEPENDENT AUDITOR'S 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

To the Board of Directors
Benilde Hall
(Missouri Not-for-profit Organization)

We have audited the financial statements of Benilde Hall (the Organization), as of and for the year ended December 31, 2011, and have issued our report thereon dated October 12, 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization'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 entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the 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. However, we identified a deficiency in internal control over financial reporting that we consider to be significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency to be a significant deficiency in internal control over financial reporting:

- The Organization does not have a process in place to review credit card transactions listed on the credit card statement.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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*.

This report is intended solely for the information and use of the board of directors, audit committee or its equivalent, management, 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.



Welch & Associates, L.L.C.

Kansas City, Missouri

October 12, 2012

Welch & Associates, L.L.C.

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INDEPENDENT AUDITOR'S 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
Benilde Hall
(Missouri Not-for-profit Organization)

Compliance

We have audited the compliance of Benilde Hall (the Organization), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. The Organization's major federal program is 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 its major federal program is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization'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 audit 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 the Organization'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 of the Organization's compliance with those requirements.

In our opinion, Benilde Hall complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

The management of the Organization 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 the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program 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 the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance, with a type of compliance requirement of a federal program on timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the 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 the 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, audit committee or its equivalent, management, 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.

Welch & Associates, L.L.C.

Welch & Associates, L.L.C.
Kansas City, Missouri
October 12, 2012

BENILDE HALL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

SUMMARY OF AUDIT FINDINGS

1. The auditor's report expresses an unqualified opinion on the financial statements of Benilde Hall.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements were identified during the audit.
4. No material weaknesses were identified during the audit of the major federal awards program.
5. The auditor's report on compliance for the major federal awards program expresses an unqualified opinion.
6. No audit finding relative to the major federal award program was disclosed.
7. The program tested as a major program was: *VA Homeless Providers Grant and Per Diem Program (CFDA # 64.024)*.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Benilde Hall qualifies as a low-risk auditee.

**BENILDE HALL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011**

None