

**GRASSROOTS EMPOWERMENT PROJECT, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2010**

**(With Summarized Totals for the Year Ended December 31, 2009)**

**GRASSROOTS EMPOWERMENT PROJECT, INC.**

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Independent Auditor's Report

Board of Directors  
Grassroots Empowerment Project, Inc.

We have audited the accompanying balance sheet of Grassroots Empowerment Project, Inc. as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Grassroots Empowerment Project, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2009 financial statements and, in our report dated April 15, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Grassroots Empowerment Project, Inc. as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2011, on our consideration of Grassroots Empowerment Project, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 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 considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Grassroots Empowerment Project, Inc. taken as a whole. The accompanying schedules of functional revenue and expenses, revenue and allowable costs by contract and distributions to subgrantees, and the schedule of expenditures of state awards required 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  
Certified Public Accountants

Milwaukee, Wisconsin  
April 25, 2011

Ritz Holman LLP  
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**GRASSROOTS EMPOWERMENT PROJECT, INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2010**  
**(With Summarized Totals for December 31, 2009)**

ASSETS		2010	2009
<b>CURRENT ASSETS</b>			
Cash		\$ 84,336	\$ 64,491
Accounts Receivable		8,022	1,415
Grants Receivable		174,965	129,972
Prepaid Insurance		6,318	6,709
Employee Advance		37	21
Total Current Assets		\$ 273,678	\$ 202,608
<b>TOTAL ASSETS</b>		\$ 273,678	\$ 202,608
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable		\$ 31,668	\$ 6,214
Accrued Payroll and Liabilities		4,517	1,961
Accrued Vacation		5,544	2,303
Refundable Advances		92,552	86,349
Total Current Liabilities		\$ 134,281	\$ 96,827
Total Liabilities		\$ 134,281	\$ 96,827
<b>NET ASSETS</b>			
Unrestricted		\$ 139,397	\$ 105,781
Total Net Assets		\$ 139,397	\$ 105,781
<b>TOTAL LIABILITIES AND NET ASSETS</b>		\$ 273,678	\$ 202,608

The accompanying notes are an integral part of these financial statements.

**GRASSROOTS EMPOWERMENT PROJECT, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
**(With Summarized Totals for the Year Ended December 31, 2009)**

	Unrestricted	
	2010	2009
<b>REVENUE</b>		
Conference Registration	\$ 12,500	\$ 9,960
Donations	15,800	3,811
State of Wisconsin -		
Department of Health Services	380,542	355,421
U.S. Department of Health and Human Services		
SAMSHA	78,217	6,247
Contract Services	185,880	34,222
Community Shares	5,073	5,320
Stable Life	16,338	---
Interest Income	58	141
Other Revenue	15,664	7,504
Total Revenue	\$ 710,072	\$ 422,626
<b>EXPENSES</b>		
Program	\$ 615,462	\$ 380,715
General and Administrative	60,994	44,556
Fund-Raising	---	1,020
Total Expenses	\$ 676,456	\$ 426,291
 CHANGE IN NET ASSETS	 \$ 33,616	 \$ (3,665)
Net Assets at Beginning of Year	105,781	109,446
 NET ASSETS AT END OF YEAR	 \$ 139,397	 \$ 105,781

The accompanying notes are an integral part of these financial statements.

**GRASSROOTS EMPOWERMENT PROJECT, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
**(With Summarized Totals for the Year Ended December 31, 2009)**

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 33,616	\$ (3,665)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
(Increase) Decrease in Accounts Receivable	(6,607)	(1,415)
(Increase) Decrease in Grants Receivable	(44,993)	43,339
(Increase) Decrease in Prepaid Insurance	391	2,046
(Increase) Decrease in Employee Advance	(16)	(21)
Increase (Decrease) in Accounts Payable	25,454	(11,897)
Increase (Decrease) in Accrued Payroll and Liabilities	2,556	743
Increase (Decrease) in Accrued Vacation	3,241	(142)
Increase (Decrease) in Refundable Advances	6,203	(55,820)
	<u>19,845</u>	<u>(26,832)</u>
Net Cash Provided (Used) by Operating Activities	\$	\$
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 19,845	\$ (26,832)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>64,491</u>	<u>91,323</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 84,336</u>	<u>\$ 64,491</u>

The accompanying notes are an integral part of these financial statements.

**GRASSROOTS EMPOWERMENT PROJECT, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

**GRASSROOTS EMPOWERMENT PROJECT, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

**NOTE A - Summary of Significant Accounting Policies**

**Organization**

Grassroots Empowerment Project, Inc. purpose is to create opportunities for people with mental illness to exercise power in their lives.

**Accounting Method**

The financial statements of the Organization have been prepared on the accrual basis of accounting.

**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.

**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. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. 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.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

**Accounts Receivable**

Accounts Receivable includes amounts due for program services and reimbursements receivable.

**Fixed Assets**

Fixed Assets are recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The Organization capitalizes expenses with a value of \$2,500 or greater.

**Advertising Costs**

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed the first time the advertising takes place. Advertising expense for the year ended December 31, 2010 was \$38.

**GRASSROOTS EMPOWERMENT PROJECT, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**NOTE A - Summary of Significant Accounting Policies (continued)**

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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.

**Allowance for Uncollectible Accounts**

Management believes all receivables will be collected in accordance with the terms of the agreements. Thus, no allowance for uncollectible accounts is necessary at year end.

**NOTE B - Comparative Financial Information**

The financial information shown for 2009 in the accompanying financial statements is included to provide a basis for comparison with 2010 and presents summarized totals only.

**NOTE C - Grants Receivable**

Grants Receivable consists of the following as of December 31, 2010:

<u>Source</u>	<u>Amount</u>
State of Wisconsin - Department of Health Services	\$127,795
United Behavioral Health	32,697
U.S. Department of Health and Human Services	<u>14,473</u>
Total Grants Receivable	<u>\$174,965</u>

**NOTE D - Refundable Advances**

Refundable Advances consists of funds that were received by the Organization as of December 31, 2010 prior to being earned.

<u>Source</u>	<u>Amount</u>
State of Wisconsin - Department of Health Services	\$92,552
Total Refundable Advances	<u>\$92,552</u>

**NOTE E - Concentration of Revenue**

The Organization receives a substantial portion of its revenue from one funding source. The Organization receives 54% of its revenue from the State of Wisconsin Department of Health Services.

**GRASSROOTS EMPOWERMENT PROJECT, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

**NOTE F - Line of Credit**

At December 31, 2010 the Organization had a \$40,000 unused line of credit that bears a rate of prime plus 3.25%. The line of credit expires in January 16, 2012.

**NOTE G - Retirement Plan**

The Organization offers a 401(k) defined contribution plan for the benefit of its employees. The Organization determines on an annual basis if an employer contributions will be made. The Organization did not contribute to the plan in the year ended December 31, 2010.

**NOTE H - In-Kind Donations**

In-Kind Donations are valued at fair market value on the date of the donation. In-kind donations consist of software valued at \$3,294 for the year ended December 31, 2010.

**NOTE I - Income Taxes**

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, 2010, 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 J - Subsequent Events**

The Organization evaluated subsequent events and transactions for possible adjustments to the financial statements and disclosures. The Organization has considered events and transactions occurring after December 31, 2010, the date of the most recent balance sheet, through April 25, 2011, the date the financial statements are available to be issued. It has been determined that no subsequent events need to be disclosed.

**GRASSROOTS EMPOWERMENT PROJECT, INC.**  
**SCHEDULE OF FUNCTIONAL REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
(With Summarized Totals for the Year Ended December 31, 2009)

	Consumer Training	Peer Support Programs	Peer Network	Vocational Rehabilitation	Other	Total 2010	Total 2009
<b>REVENUE</b>							
Conference Registration	\$ ---	\$ ---	\$ ---	\$ ---	\$ 12,500	\$ 12,500	\$ 9,960
Donations	---	---	---	---	15,800	15,800	3,811
State of Wisconsin - Department of Health Services	139,142	121,703	---	119,697	---	380,542	355,421
U.S. Department of Health and Human Services SAMSHA	---	---	78,217	---	---	78,217	6,247
Contract Services	---	185,880	---	---	---	185,880	34,222
Community Shares	---	---	---	---	5,073	5,073	5,320
Stable Life	---	16,338	---	---	---	16,338	---
Interest Income	---	---	---	---	58	58	141
Other Revenue	---	---	---	13,500	2,164	15,664	7,504
<b>Total Revenue</b>	<b>\$ 139,142</b>	<b>\$ 323,921</b>	<b>\$ 78,217</b>	<b>\$ 133,197</b>	<b>\$ 35,595</b>	<b>\$ 710,072</b>	<b>\$ 422,626</b>
<b>EXPENSES</b>							
Salaries	\$ 25,675	\$ 84,546	\$ 38,164	\$ 50,785	\$ 4,696	\$ 203,866	\$ 176,718
Employee Benefits	2,165	14,403	1,990	6,905	41	25,504	26,626
Payroll Taxes	1,554	5,168	2,823	5,874	307	15,726	14,123
Consultants	3,000	173	7	107	---	3,287	2,559
Professional Fees	648	1,046	423	2,805	1,668	6,590	4,900
Subgrantees	---	173,838	---	---	---	173,838	22,500
Resource Material and Publications	---	39	---	28	---	67	949
Conferences and Training	2,269	980	2,380	106	---	5,735	4,161
Advertising	7	26	---	4	---	37	75
Supplies	375	1,000	1,390	687	8	3,460	1,462
Telephone	428	2,524	1,150	2,206	---	6,308	5,375
Postage, Publications and Dues	143	340	172	151	6	812	1,084
Repairs and Maintenance	827	78	40	72	3,338	4,355	680
Copying and Printing	19	19	11	---	---	49	117
Travel	1,025	13,053	4,019	3,558	45	21,700	13,399
Meetings	3,434	12,124	1,172	1,379	318	18,427	43,675
Consumer Conference	20,484	---	---	14,842	---	35,326	40,580
Consumer Reimbursements	45,190	150	---	---	---	45,340	53,368
Project Supplies	(138)	1,052	1,592	2,002	(25)	4,483	5,533
Insurance	1,220	1,818	1,087	1,201	88	5,414	5,312
Membership Dues	77	245	115	544	400	1,381	600
Payroll Processing Fee	208	595	294	360	---	1,457	1,545
Empowerment Days and Rally Events	30,238	---	---	---	---	30,238	---
Listening Sessions	213	---	95	---	---	308	---
Leadership Academics	---	---	21,612	---	---	21,612	---
Peer Specialist Training	---	---	---	38,148	197	38,345	---
PS Association Expense	---	---	---	1,182	---	1,182	---
Other Expenses	81	164	102	251	1,011	1,609	950
<b>Total Expenses</b>	<b>\$ 139,142</b>	<b>\$ 313,381</b>	<b>\$ 78,638</b>	<b>\$ 133,197</b>	<b>\$ 12,098</b>	<b>\$ 676,456</b>	<b>\$ 426,291</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ ---</b>	<b>\$ 10,540</b>	<b>\$ (421)</b>	<b>\$ ---</b>	<b>\$ 23,497</b>	<b>\$ 33,616</b>	<b>\$ (3,665)</b>

**GRASSROOTS EMPOWERMENT PROJECT, INC.**  
**SCHEDULE OF REVENUE AND ALLOWABLE COSTS BY CONTRACT**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Person Centered Planning 531274	Consumer Leadership Development 531278	Medicaid Infrastructure 531029	Consumer Reimbursement 531275	Technical Assistance Sustainability Development 531050	Trauma Informed Care 531273	Total
<b>REVENUE</b>							
State of Wisconsin - Department of Health Services	\$ 5,458	\$ 87,830	\$ 119,697	\$ 25,888	\$ 121,703	\$ 19,966	\$ 380,542
Total Revenue	<u>\$ 5,458</u>	<u>\$ 87,830</u>	<u>\$ 119,697</u>	<u>\$ 25,888</u>	<u>\$ 121,703</u>	<u>\$ 19,966</u>	<u>\$ 380,542</u>
<b>EXPENSES</b>							
Salaries	\$ 515	\$ 22,286	\$ 50,785	\$ 1,312	\$ 73,535	\$ 1,562	\$ 149,995
Employee Benefits	57	1,529	6,905	242	13,644	338	22,715
Payroll Taxes	(28)	1,389	5,874	66	4,879	126	12,306
Consultants	---	2,998	107	2	7	---	3,114
Professional Fees	---	51	2,805	597	1,025	---	4,478
Resource Material and Publications	---	---	28	---	39	---	67
Conference and Training	---	2,269	106	---	956	---	3,331
Advertising	---	7	4	---	11	---	22
Supplies	14	211	687	61	869	90	1,932
Telephone	---	428	2,206	---	---	---	2,634
Postage, Publications and Dues	13	43	151	35	2,309	53	2,604
Repairs and Maintenance	---	827	72	---	50	---	949
Copying and Printing	---	19	---	---	19	---	38
Travel	---	893	3,558	---	11,772	131	16,354
Meetings	28	3,094	1,379	248	10,658	65	15,472
Consumer Conference	---	20,484	14,842	---	---	---	35,326
Consumer Reimbursements	4,803	---	---	23,015	---	17,373	45,191
Project Supplies	---	(138)	2,002	---	1,018	---	2,882
Insurance	55	655	1,201	297	1,487	213	3,908
Membership Dues	---	77	544	---	234	---	855
Payroll Processing Fee	---	208	360	---	492	---	1,060
Empowerment Days and Rally Events	---	30,238	---	---	---	---	30,238
Listening Sessions	---	213	---	---	---	---	213
Peer Specialist Training	---	---	24,648	---	---	---	24,648
PS Association Expense	---	---	1,182	---	---	---	1,182
Other Expenses	2	51	250	12	136	17	468
Total Expenses	<u>\$ 5,459</u>	<u>\$ 87,832</u>	<u>\$ 119,696</u>	<u>\$ 25,887</u>	<u>\$ 123,140</u>	<u>\$ 19,968</u>	<u>\$ 381,982</u>
CHANGE IN NET ASSETS	<u>\$ (1)</u>	<u>\$ (2)</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ (1,437)</u>	<u>\$ (2)</u>	<u>\$ (1,440)</u>

**GRASSROOTS EMPOWERMENT PROJECT, INC**  
**SCHEDULE OF DISTRIBUTIONS TO SUBGRANTEES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
**(With Summarized Totals for the Year Ended December 31, 2009)**

	<u>2010</u>	<u>2009</u>
The Gathering Place	\$ 26,250	\$ 7,500
Nami - Racine County	41,250	7,500
Nami - Greater Milwaukee	90,000	7,500
Horizons	8,169	---
Friendship	<u>8,169</u>	<u>---</u>
 TOTAL DISTRIBUTIONS	 <u>\$ 173,838</u>	 <u>\$ 22,500</u>

**GRASSROOTS EMPOWERMENT PROJECT, INC.  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

<u>State Grantor</u>	<u>State CARS Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<b>STATE EXPENDITURES</b>			
State of Wisconsin -			
Department of Health Services			
Consumer Reimbursement	531275	93.958	\$ 25,888
Person Centered Planning	531274	93.779	5,458
Consumer Leadership Development	531278	93.958	87,830
Peer to Peer Support Programs	531050	93.958	121,703
Medicaid Infrastructure Grant	531029	93.768	119,697
Trauma Informed Care	531273	---	19,966
Stable Life	531050	---	<u>16,338</u>
<b>TOTAL STATE EXPENDITURES</b>			<b><u>\$ 396,880</u></b>

The accompanying note is an integral part of this schedule.

**GRASSROOTS EMPOWERMENT PROJECT, INC.  
NOTE TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**NOTE 1 - Basis of Presentation**

The accompanying schedule of expenditures of state awards includes the state grant activity of Grassroots Empowerment Project, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of applicable State of Wisconsin audit guides. Therefore, some amounts presented in this schedule 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  
Grassroots Empowerment Project, Inc.

We have audited the financial statements of Grassroots Empowerment Project, Inc. as of and for the year ended December 31, 2010, and have issued our report thereon dated April 25, 2011. 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 Grassroots Empowerment Project, Inc.'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 Grassroots Empowerment Project, Inc.'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.

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To the Board of Directors of  
Grassroots Empowerment Project, Inc.  
Page Two

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.

A handwritten signature in black ink, appearing to read "Ritz Holman CP". The signature is fluid and cursive.

RITZ HOLMAN LLP  
Certified Public Accountants

Milwaukee, Wisconsin  
April 25, 2011

**GRASSROOTS EMPOWERMENT PROJECT, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**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 not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements noted?                         | No            |

**B. FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**C. 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  | No  |
| 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? | No |
|---|----|

- |                                  |  |
|----------------------------------|--|
| 4. Name and signature of partner | <br>ANDREW C. HOLMAN |
|----------------------------------|--|

- |                   |                |
|-------------------|----------------|
| 5. Date of report | April 25, 2011 |
|-------------------|----------------|