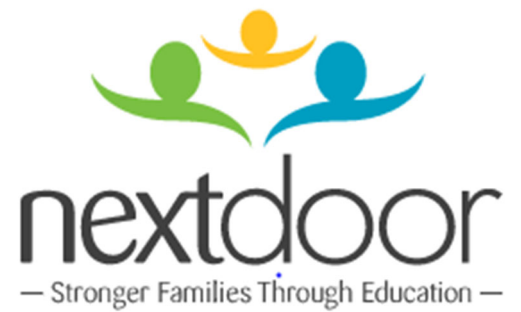


Next Door Foundation, Inc.

Milwaukee, Wisconsin

Financial Statements and
Supplementary Information

Years Ended June 30, 2023 and 2022



WIPFLI

Next Door Foundation, Inc.

Notes to Financial Statements

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Independent Auditor's Report

Board of Directors
Next Door Foundation, Inc.
Milwaukee, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Next Door Foundation, Inc., a nonprofit organization, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Next Door Foundation, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Next Door Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States., and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Next Door Foundation, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Next Door Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Next Door Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of program activity, Schedules A-1 to A-6, and schedule of expenditures of federal and state awards, Schedule B, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, and the Schedule of Charter School Revenue and Expenditures, are presented for purposes of additional analysis and are not required parts 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated on March 28, 2024, our consideration of the Next Door Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Next Door Foundation, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Next Door Foundation, Inc.'s internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Green Bay, Wisconsin

March 28, 2024

Next Door Foundation, Inc.

Statements of Financial Position

June 30, 2023 and 2022

<i>Assets</i>	2023	2022
Current assets:		
Cash and cash equivalents	\$ 2,211,983	\$ 3,653,987
Grants receivable	1,936,098	1,422,579
Promises to give, net	128,000	136,140
Prepaid expenses and other	252,131	321,155
Total current assets	4,528,212	5,533,861
Other assets:		
Cash surrender value of life insurance	763,056	738,012
Investments	1,991,513	1,777,040
Investment in LLC	0	463,856
Debt service reserves	0	25,198
Promises to give, net, less current portion	158,239	20,040
Total other assets	2,912,808	3,024,146
Property and equipment, net	10,544,927	10,449,161
TOTAL ASSETS	\$ 17,985,947	\$ 19,007,168

See accompanying notes to financial statements.

Next Door Foundation, Inc.

Statements of Financial Position (Continued)

June 30, 2023 and 2022

<i>Liabilities and Net Assets</i>	2023	2022
Current liabilities:		
Accounts payable, operations	\$ 359,982	\$ 474,552
Current maturities of long-term debt	164,625	4,177,932
Accrued payroll and related expenses	385,650	416,843
Refundable advance liability - private grants	336,281	379,594
Total current liabilities	1,246,538	5,448,921
Long-term debt, less current maturities, net	3,059,281	1,516,458
Total liabilities	4,305,819	6,965,379
Net assets:		
Without donor restrictions:		
Undesignated	11,034,872	9,808,451
Board designated - future improvements	1,478,357	1,378,574
Total net assets without donor restrictions	12,513,229	11,187,025
With donor restrictions	1,166,899	854,764
Total net assets	13,680,128	12,041,789
TOTAL LIABILITIES AND NET ASSETS	\$ 17,985,947	\$ 19,007,168

Next Door Foundation, Inc.

Statements of Activities

Years Ended June 30, 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	\$ 848,057	\$ 20,499,330	\$ 21,347,387
United Way revenue	0	68,750	68,750
Contributions	761,123	463,955	1,225,078
Childcare revenue	2,332,690	0	2,332,690
Investment income	267,350	0	267,350
New market tax credit forgiveness	1,809,000	0	1,809,000
Other income (loss)	90,433	0	90,433
In-kind contributions	1,095,877	2,946	1,098,823
Net assets released from restrictions	20,722,846	(20,722,846)	0
Total revenue	27,927,376	312,135	28,239,511
Expenses:			
Program activities:			
Child development activities	23,695,647	0	23,695,647
Supportive services:			
Development and fundraising	553,945	0	553,945
Management and general	2,351,580	0	2,351,580
Total supportive services	2,905,525	0	2,905,525
Total expenses	26,601,172	0	26,601,172
Changes in net assets	1,326,204	312,135	1,638,339
Net assets at beginning	11,187,025	854,764	12,041,789
Net assets at end	\$ 12,513,229	\$ 1,166,899	\$ 13,680,128

See accompanying notes to financial statements.

Next Door Foundation, Inc.

Statements of Activities (Continued)

Year Ended June 30, 2022

	2022		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenue:			
Grant revenue	\$ 857,144	\$ 18,741,942	\$ 19,599,086
United Way revenue	0	75,000	75,000
Contributions	892,594	278,671	1,171,265
Childcare revenue	3,467,723	0	3,467,723
Investment income (loss)	(274,743)	0	(274,743)
Other income (loss)	326,357	(156,648)	169,709
In-kind contributions	684,418	0	684,418
Net assets released from restrictions	19,807,798	(19,807,798)	0
Total revenue	25,761,291	(868,833)	24,892,458
Expenses:			
Program activities:			
Child development activities	22,763,640	0	22,763,640
Supportive services:			
Development and fundraising	582,426	0	582,426
Management and general	2,400,749	0	2,400,749
Total supportive services	2,983,175	0	2,983,175
Total expenses	25,746,815	0	25,746,815
Changes in net assets	14,476	(868,833)	(854,357)
Net assets at beginning	11,172,549	1,723,597	12,896,146
Net assets at end	\$ 11,187,025	\$ 854,764	\$ 12,041,789

See accompanying notes to financial statements.

Next Door Foundation, Inc.

Statements of Functional Expenses

Years Ended June 30, 2023 and 2022

	2023			
	Program Expenses	Management and General	Development and Fundraising	Total
Salaries and wages	\$ 12,167,566	\$ 985,856	\$ 330,187	\$ 13,483,609
Fringe benefits	3,068,673	161,098	115,029	3,344,800
Staff training and enrichment	245,649	88,035	5,259	338,943
Recruitment	50,586	0	0	50,586
Supplies	1,248,479	153,027	31,965	1,433,471
Family support costs	94,261	12,655	12,762	119,678
Collaboration expense	2,218,993	0	0	2,218,993
Postage	7,630	3,242	4,430	15,302
Telephone	142,694	37,435	2,626	182,755
Insurance	100,081	0	3,255	103,336
Dues and subscriptions	49,621	20,509	1,428	71,558
Professional fees	112,711	747,085	21,471	881,267
Occupancy	1,812,535	141,089	24,952	1,978,576
Depreciation	719,273	0	0	719,273
Interest	254,912	0	0	254,912
Deferred financing fees	264,910	0	0	264,910
Other	38,250	1,549	581	40,380
In-kind expenses	1,098,823	0	0	1,098,823
Total	\$ 23,695,647	\$ 2,351,580	\$ 553,945	\$ 26,601,172

Next Door Foundation, Inc.

Statements of Functional Expenses (Continued)

Years Ended June 30, 2023 and 2022

	2022			
	Program Expenses	Management and General	Development and Fundraising	Total
Salaries and wages	\$ 11,586,747	\$ 1,321,378	\$ 368,409	\$ 13,276,534
Fringe benefits	2,903,037	221,221	116,751	3,241,009
Staff training and enrichment	312,811	74,025	1,156	387,992
Recruitment	42,672	0	0	42,672
Supplies	1,088,009	84,620	33,243	1,205,872
Family support costs	68,381	17,103	6,286	91,770
Collaboration expense	2,794,262	0	0	2,794,262
Postage	1,746	1,607	4,438	7,791
Telephone	105,398	67,877	251	173,526
Insurance	41,558	36,241	3,323	81,122
Dues and subscriptions	208,656	43,854	16,473	268,983
Professional fees	488,068	258,223	14,697	760,988
Occupancy	1,539,562	95,835	17,060	1,652,457
Depreciation	615,093	0	0	615,093
Interest	282,514	0	0	282,514
Return of funds to grantor	0	142,104	0	142,104
Other	708	3,779	339	4,826
Bad debt expense	0	32,882	0	32,882
In-kind expenses	684,418	0	0	684,418
Total	\$ 22,763,640	\$ 2,400,749	\$ 582,426	\$ 25,746,815

Next Door Foundation, Inc.

Statements of Cash Flows

Years Ended June 30, 2023

	2023	2022
Increase (decrease) in cash, cash equivalents, and restricted cash:		
Cash flows from operating activities:		
Changes in net assets	\$ 1,638,339	(\$ 854,357)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	719,273	615,093
Amortization of deferred financing fees classified as interest	3,812	11,435
Write-off of deferred financing fees	264,910	0
Bad debt expense	0	32,882
Net realized and unrealized loss (gain) on investments	(197,459)	312,840
Forgiven debt	(1,809,000)	0
Change in discount on promises to give	7,200	0
Change in cash surrender value of life insurance	(25,044)	(28,304)
Changes in operating assets and liabilities:		
Grants receivable	(513,519)	(299,322)
Promises to give	(249,760)	216,805
Prepaid expenses and other	69,024	(1,000)
Accounts payable, operations	(114,570)	(58,256)
Accrued payroll and related expenses	(31,193)	144,780
Refundable advance liability - private grants	(43,313)	213,345
Net cash from operating activities	(281,300)	305,941
Cash flows from investing activities:		
Capital expenditures	(815,039)	(514,599)
Investment in LLC	(15,161)	(62,151)
Proceeds from sale of investments	52,877	1,383,032
Purchase of investments	(69,891)	(1,359,896)
Net cash from investing activities	(847,214)	(553,614)
Cash flows from financing activities:		
Proceeds from debt	3,292,500	0
Principal payments on debt	(3,743,689)	(132,146)
Proceeds received from contributions restricted for building improvements	112,501	174,142
Net cash from financing activities	(338,688)	41,996
Changes in cash, cash equivalents, and restricted cash	(1,467,202)	(205,677)
Cash, cash equivalents, and restricted cash at beginning of year	3,679,185	3,884,862
Cash, cash equivalents, and restricted cash at end of year	\$ 2,211,983	\$ 3,679,185
Supplemental cash flow information:		
Cash paid for interest	\$ 261,502	\$ 261,502
Supplemental investing cash flow information:		
Investment in LLC applied to debt settlement	\$ 479,017	\$ 0
Reconciliation of cash, cash equivalents, and restricted cash to the statement of financial position:		
Cash and cash equivalents	\$ 2,211,983	\$ 3,653,987
Restricted cash - reserves	0	25,198
Cash, cash equivalents, and restricted cash at end of year	\$ 2,211,983	\$ 3,679,185

See accompanying notes to financial statements.

Next Door Foundation, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Next Door Foundation, Inc. ("Next Door"), makes a positive difference in people's lives by promoting their self-worth, dignity, and moral values. Focused primarily on the near west and north side neighborhoods of Milwaukee, Next Door's programs provide educational, counseling, employment, recreational, and supportive services through a nurturing one-on-one approach for children, youth, and families. Next Door strives to achieve common goals through creative partnerships with program participants, volunteers, public and private donors, churches, businesses, and other community agencies. One of Next Door's primary programming options is early childhood development for which they operate a Head Start and Early Head Start program for children ages 0 to 5, in addition to a Charter School (Next Door Charter School) for K4 and K5 age groups.

Basis of Presentation

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Classification of Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, a board-designated endowment.

Net assets with donor restrictions: Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Concentration

Next Door received approximately 60% and 65% of total revenue from the federal and state Head Start grants for the years ended June 30, 2023, and 2022.

Next Door Foundation, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Grant Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant Awards that are Contributions - Grant awards that are contributions are evaluated for conditions and recognized as revenue in accordance with ASC Topic 958-605 when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reflected as a refundable advance liability.

Grant Awards That Are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized in accordance with ASC Topic 606 when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration in which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability. Next Door does not have any contract liabilities at June 30, 2023 or 2022.

Childcare Revenue

Next Door recognized revenue from exchange transactions from contracts with customers for childcare fees received from Milwaukee Public Schools and Wisconsin Department of Children and Families on behalf of the families receiving services.

Next Door Foundation, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Milwaukee Public Schools: The contract period runs from July to June. Next Door's performance obligation is to provide 4K and 5K educational instruction to the children. Revenue from the Milwaukee Public Schools contract is recognized over time as the customers are simultaneously receiving and consuming the benefits of the services.

Next Door feels the input method is the most faithful depiction of the transfer of goods or service, using time elapsed.

Wisconsin Department of Children and Families: The contract period runs from July to June. Next Door's performance obligation is to provide childcare services to the children. Contract terms are established when parents enroll their child in the program. Pricing is established based on age of child, hours needed per day, and if enrolled on a full time or part time basis. If a family is eligible for the Wisconsin Shares Child Care Subsidy through the State of Wisconsin, the family is responsible for applying for and maintaining eligibility. Revenue is recognized over time as the customers are simultaneously receiving and consuming the benefits of the services. Next Door feels the input method is the most faithful depiction of the transfer of goods or service, using time elapsed.

Total revenue from contracts recognized in accordance with ASC 606 during the year ended June 30, 2023, and 2022, and included in the statement of activities is summarized below:

	2023	2022
Milwaukee Public Schools – over time	\$ 1,233,961	\$ 1,368,476
Wisconsin Department of Children and Families – over time	1,098,729	2,099,247
Total	\$ 2,332,690	\$ 3,467,723

In-kind Contributions

Next Door has recorded in-kind contributions for space, professional services, and supplies in the statements of activities in accordance with financial accounting standards. Those standards require that only contributions of service received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. Next Door received contributions of nonprofessional volunteers with a value of \$721,433 and \$558,652 for the years ended June 30, 2023 and 2022, that are not recorded in the statements of activities.

Cash and Cash Equivalents

For purposes of financial statement presentation, Next Door considers their checking, savings, overnight repurchase, and certain money market accounts, which have an original maturity of 90 days or less, to be cash and cash equivalents.

Investments

Investments are recorded at fair value as determined in an active market. Unrealized gains and losses are included in other income in the accompanying statements of activities. Investment fees, if any, are netted with return.

Next Door Foundation, Inc.

Notes to Financial Statements

Investment in LLC

Next Door had a 49% interest in a limited liability company. Under GAAP, this investment was carried at cost, adjusted for the proportional share of undistributed earnings or losses. The equity method of accounting is suspended if the investment, including advances and receivables, are reduced to zero. The LLC reported on a calendar year, and therefore, Next Door reported their earnings or losses in the LLC on a calendar year basis.

Next Door had determined that the LLC was a variable interest entity (VIE). The VIE was evaluated by management to determine the primary beneficiary of the risks and rewards of the VIE and Next Door determined that it was not the primary beneficiary based on its minority interest ownership at 49% and relative equity contributions. Next Door had not provided for any guarantees and had no exposure to loss beyond the equity investment described in Note 6.

During the year ended June 30, 2023, Next Door's investment in the LLC was applied against the note payable to a community development entity as disclosed in Note 6 and Note 13 which reduced Next Door's investment in the LLC to zero.

Grants Receivable

Grants receivables consist primarily of amounts billed under cost reimbursement contracts. Next Door analyzes the receivables and records an allowance that management believes will reserve for possible losses on existing receivables that may become uncollectible. The evaluations take into consideration such factors as evaluations of the collectability, prior loss and at that time it is charged against the allowance. Next Door has determined that no allowance for uncollectible accounts is necessary at June 30, 2023 and 2022.

Promises to Give

Promises to give are unconditional promises to give in future periods. Promises to give expected to be collected within one year are recorded at their net realizable value. Promises to give expected to be collected in future years are recorded at the present value of expected future cash flows. Discounts on those amounts are computed using interest rates applicable to the year in which the promise is received. Amortization of discount is included in contribution revenue. Next Door has determined that no allowance for uncollectible accounts is necessary at June 30, 2023 and 2022.

Property and Equipment

Property and equipment are capitalized at cost or donated value and depreciated over their estimated useful lives using either the straight-line or an accelerated method. Next Door capitalizes items with a cost greater than \$5,000 and a useful life of more than one year.

Next Door Foundation, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

Property and equipment purchased with grant funds are owned by the Next Door while used in the program for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Their disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The property and equipment purchased with grant funds are normally restricted for use in specific programs operated by Next Door. The net book value of grant-funded property and equipment included on the statements of financial position is \$913,300 and \$270,443 at June 30, 2023 and 2022.

Debt Issuance Costs

Debt issuance costs represent costs associated with obtaining debt to finance the construction and renovation at a childcare site. Unamortized financing fees have been recorded as a reduction to the related debt obligation. The costs are being amortized to interest expense over the maximum term provided in the debt agreement using the straight-line method, which approximates the effective interest method.

Income Taxes

Next Door is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Next Door is also exempt from Wisconsin state income tax. Next Door is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. Next Door has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Functional Allocation of Costs

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present an analysis of expenses by nature and function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on time and effort reporting. Occupancy and related costs are allocated based on square footage.

Reclassifications

Certain amounts as previously reported on the 2022 financial statements have been reclassified to conform to the 2023 presentation. Such reclassifications have no effect on reported amounts of net assets or change in net assets. Software expenses and employee recognition expenses were reclassified as supplies and salaries and wages respectively in 2022 to conform with 2023 presentation.

Next Door Foundation, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

Next Door has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 28, 2024, which is the date the financial statements were available to be issued.

Note 2: Concentration of Credit Risk

Next Door maintains its bank accounts at one financial institution insured by the Federal Deposit Insurance Corporation (FDIC). Depository accounts at this institution are insured by the FDIC up to \$250,000. At times, balances exceed FDIC insured levels. Management has assessed the credit worthiness of this institution and does not feel the deposits are subject to significant risk.

Note 3: Restricted Cash- Reserves

For the year ended June 30, 2022, Next Door had entered into two promissory notes (see Note 13) that required maintenance of an interest reserve for regular debt payments for the life of the debt. The balance of the reserve was \$25,198 at June 30, 2022. These promissory notes were settled as of June 30, 2023, releasing Next Door from the cash reserve requirement.

Note 4: Liquidity and Availability

Next Door does not have a formal liquidity policy but generally maintains financial assets in liquid form such as cash and cash equivalents for approximately one to two months of operating expenses. Next Door can rely on a lower cash balance as they are primarily funded with cost reimbursement grants. Under cost reimbursement grants, once expenses are incurred an organization can request reimbursement from the funding source. Their grants have varying renewal dates. Next Door has grant commitments for future expenses of over \$17,000,000. In addition, Next Door has one line of credit available for cash flow needs up to \$750,000 as further described in Note 12.

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, comprise the following as of June 30:

	2023	2022
Cash and cash equivalents	\$ 2,211,982	\$ 3,653,987
Cash surrender value of life insurance	763,056	738,012
Investments	1,991,513	1,777,040
Promises to give	128,000	136,140
Subtotal financial assets	5,094,551	6,305,179

Next Door Foundation, Inc.

Notes to Financial Statements

Note 4: Liquidity and Availability (Continued)

Less: Restricted and designated program contributions included in cash and cash equivalents	(48,721)	(31,452)
Less: Restricted and designated Capital Campaign funds included in cash and cash equivalents	(208,626)	(268,666)
Less: Refundable advance liability – private grants in cash and cash equivalents	(336,281)	(379,594)
Less: Restricted and designated investments	(1,991,513)	(1,777,040)
Less: Promises to give restricted for purpose	(128,000)	(136,140)
Total	\$ 2,381,410	\$ 3,712,287

Note 5: Investments

Investments, at fair value, consist of the following at June 30:

	2023	2022
Money market funds	\$ 36,278	\$ 34,708
Fixed income funds	866,270	802,700
Equity mutual funds	1,088,965	939,632
Totals	\$ 1,991,513	\$ 1,777,040

Investment income (loss), which is included in other income (loss) on the statements of activities, for the year ended June 30 on the above investments consists of the following:

	2023	2022
Net realized and unrealized (loss) gain	\$ 197,459	\$ (312,840)
Dividends and interest	69,892	38,097
Totals	\$ 267,350	\$ (274,743)

Note 6: Investment in LLC

Effective December 31, 2015, FCI Next Door Finance Company, LLC was established for the purpose of participating and financing qualified community investment loans in relation to a transaction that qualifies for new market tax credits. See Note 13, long-term debt for two notes payable to a community development entity. Next Door Foundation qualified as a Qualified Active Low-Income Community Business (QALICB) and received Qualified Low-Income Community Investment Loans (QLICI) from a community development entity. A portion of the funding that allowed the community development entity to finance the note payable to Next Door came from a leveraged loan from FCI Next Door Finance Company, LLC to the investor member of the community development entity.

Next Door Foundation, Inc.

Notes to Financial Statements

Note 6: Investment in LLC (Continued)

As of June 30, 2022, Next Door owned 49% of FCI Next Door Finance Company, LLC and Forward Community Investments owned 51%. Total equity contributions in 2022 were \$62,151 for a total equity balance at June 30, 2022, of \$463,856.

During 2023, Next Door made a final equity contribution of \$15,161 for a total equity balance of \$479,017. Next Door's total equity balance was applied against the note payable to a community development entity as disclosed in Note 6 and Note 13, instead of being returned to Next Door, which reduced Next Door's investment in the LLC to zero.

Note 7: Fair Value Measurements

GAAP specifies a three-tier fair value hierarchy, which prioritizes the inputs used in estimating fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. Investments, which consist of Money Market funds, equity mutual funds, and intermediate term bond funds are valued using quotes from pricing vendors based on recent trading activity and other observable market data.

Some assets and liabilities are measured at fair value on a recurring basis under accounting principles generally accepted in the United States. Other assets and liabilities, such as impaired investments, are measured at fair value on a nonrecurring basis. Next Door does not have any liabilities that are measured at fair value, nor are there assets or liabilities measured on a nonrecurring basis as of June 30, 2023 and 2022.

Information regarding the fair value of assets measured at fair value on a recurring basis as of June 30, 2023, is as follows:

	Level 1	Level 2	Level 3	Fair Value
Money market funds	\$ -	\$ 36,278	\$ -	\$ 36,278
Equity mutual funds:				
Domestic large blend funds	844,358	-	-	844,358
Foreign large blend funds	61,050	-	-	61,050
Intermediate term blend funds	183,557	-	-	183,556
Intermediate term bond funds	866,270	-	-	866,270
Total	\$ 1,955,235	\$ 36,278	\$ -	\$ 1,991,513

Next Door Foundation, Inc.

Notes to Financial Statements

Note 7: Fair Value Measurements (Continued)

Information regarding the fair value of assets measured at fair value on a recurring basis as of June 30, 2022, is as follows:

	Level 1	Level 2	Level 3	Fair Value
Money market funds	\$ -	\$ 34,708	\$ -	\$ 34,708
Equity mutual funds:				
Domestic large blend funds	716,138	-	-	716,138
Foreign large blend funds	223,494	-	-	223,494
Intermediate term bond funds	802,700	-	-	802,700
Total	\$ 1,742,332	\$ 34,708	\$ -	\$ 1,777,040

Note 8: Grants Receivable

The balance consists of amounts due from various agencies as follows as of June 30,:

	2023	2022
Federal grants	\$ 987,570	\$ 1,040,860
State of Wisconsin grants	948,528	346,482
Other grants	0	35,237
Total Grant receivable	\$ 1,936,098	\$ 1,422,579

Note 9: Promises to Give

Unconditional promises to give are reflected at present value of estimated future cash flows using a discount rate of 5% as of June 30:

	2023	2022
Receivable in less than one year	\$ 128,000	\$ 136,140
Receivable in one to five years	160,000	29,001
Total	288,000	165,141
Discount to net present value	(1,761)	(8,961)
Promises to give, net	\$ 286,239	\$ 156,180

Next Door Foundation, Inc.

Notes to Financial Statements

Note 9: Promises to Give (Continued)

	2023	2022
Current promises to give	\$ 128,000	\$ 136,140
Long-term promises to give	158,239	20,040
Totals	\$ 286,239	\$ 156,180

Note 10: Cash Surrender Value of Life Insurance

Next Door is the owner of various life insurance policies that were donated in previous years. The policies are recorded based on the policy cash surrender value. The value was \$763,056 and \$738,012 at June 30, 2023 and 2022.

Note 11: Property and Equipment

Property and equipment consist of the following as of June 30:	2023	2022
Land and improvements	\$ 1,189,147	\$ 1,189,147
Buildings and improvements	15,353,985	15,037,093
Equipment	2,793,002	2,174,521
Construction in progress	-	120,093
Sub totals	19,366,134	18,520,854
Accumulated depreciation	(8,791,207)	(8,071,693)
Property and equipment, net of accumulated depreciation	\$ 10,544,927	\$ 10,449,161

Note 12: Line of Credit

Next Door maintains a \$750,000 line of credit expiring January 5, 2025, with BMO Harris that is due upon demand, with a variable interest rate and is considered a revolving line of credit. The interest rate at June 30, 2023, was 6.32% (Lender prime rate minus .015%). The line of credit is collateralized by cash and securities held by BMO Harris, except those accounts that are restricted. There were no outstanding balances as of June 30, 2023 and 2022.

Next Door Foundation, Inc.

Notes to Financial Statements

Note 13: Long-Term Debt

Long-term debt consisted of the following at June 30, 2023 and 2022:

	2023	2022
Note payable to bank in monthly installments of \$11,636 including interest at 4.75% with a final payment due December 31, 2022. This note is secured with cash and securities held by BMO Harris Bank, other than those amounts restricted by law.	\$ -	\$ 83,112
Note payable to a community development entity with interest only payments, interest is at 4.25475%, and a final balloon payment due December 31, 2022. This note is secured with specific properties. See also Note 3 for required interest reserve.	-	4,071,000
Note payable to a community development entity with interest only payments, interest is at 4.25475%. Interest only payments are made until December 2022. Beginning January 2023, monthly payments of principal and interest of \$10,349 will made through maturity of December 31, 2045. This note is secured with specific properties. See also Note 3 for required interest reserve.	-	1,809,000
Note payable to a bank in monthly installments of \$13,719 including interest at 8.00% with a final payment due January 5, 2030. This note is secured with the Capitol building.	3,223,906	-
Long-term debt	3,223,906	5,963,112
Less: Current maturities	(164,625)	(4,177,932)
Subtotal	3,059,281	1,785,180
Less: Debt issuance costs, net	0	(268,722)
Long term portion	\$ 3,059,281	\$ 1,516,458

Deferred financing costs totaled \$0 and \$355,076 at June 30, 2023 and 2022. Accumulated amortization of deferred financing costs was \$0 and \$86,354 at June 30, 2023 and 2022. Amortization expense classified as interest was \$3,812 and \$11,435 for the years ended June 30, 2023, and 2022 respectively.

Next Door Foundation, Inc.

Notes to Financial Statements

Note 13: Long-Term Debt (Continued)

Future scheduled maturities beyond June 30, 2023 are as follows:

2024	\$	164,625
2025		164,625
2026		164,625
2027		164,625
2028		164,625
Thereafter		2,400,781
Total debt	\$	3,223,906
Less: Current maturities		(164,625)
Long-term debt	\$	3,059,281

Note 14: Net Assets with Donor Restriction

Net assets with donor restrictions, which have either purpose or time restrictions, are as follows as of June 30:

	2023	2022
29th Street campaign	\$ 12,239	\$ 60,040
Promises to give – time restriction	171,500	67,982
Promises to give – 29th Street renovation	24,000	88,198
Pieper Family Endowment Fund – perpetual in nature	721,782	607,092
Other	237,377	31,452
Total net assets with donor restrictions	\$ 1,166,899	\$ 854,764

The balance in the Pieper Family Endowment Fund agreement allows for half of the annual appreciated value to be available to be distributed to the Next Door Foundation Endowment Fund. No such appropriations were made during the years ended June 30, 2023 and 2022.

Net assets were released from donor restrictions by incurring expenses, satisfying the restricted purpose, or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	2023	2022
Expiration of time restrictions	\$ 63,182	\$ 216,806
Capital expenses for Capital and 29th Street campaigns	158,392	477,249
Purpose restrictions accomplished – program operations	19,076,272	19,113,743
Total net assets released from donor restrictions	\$ 20,722,846	\$ 19,807,798

Next Door Foundation, Inc.

Notes to Financial Statements

Note 15: Employee Benefit Plan

All eligible employees are covered under a 401(k) Plan. Employees may elect to contribute to the plan through salary deferrals. During 2023 and 2022 Next Door provided a discretionary 1.5% profit sharing contribution and a match of employee contributions up to a maximum of 3.5%. Total plan expense for the years ended June 30, 2023 and 2022, were \$356,769 and \$336,093.

Note 16: Endowment Funds

Wisconsin legislature adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Board of Directors has interpreted UPMIFA as requiring Next Door to preserve the fair value of the donor's original gift, as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, Next Door classifies net assets with donor restrictions that are perpetual in nature as (a) the original value of the donor's gifts to the restricted endowment, (b) the original value of a donor's subsequent gifts to the restricted endowment, and (c) accumulations to the restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the restricted endowment fund is classified as net assets with donor restrictions that are temporary in nature until those amounts are appropriated for expenditure by Next Door in a manner consistent with the standard prudence prescribed by UPMIFA.

Next Door has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to preserve the purchasing power of the endowment assets. Under Next Door's investment policy, as approved by the Board of Directors, the endowment assets are invested in a manner to protect principal, grow the aggregate portfolio value in excess of the rate of inflation and achieve an effective annual rate of return that is equal to or greater than the designated benchmarks for the various types of investment vehicles, and to ensure that any risk assumed is commensurate with the given investment vehicle and Next Door's objectives.

The Pieper Family Endowment Fund was established by the Pieper Family Fund. This endowment is for the benefit of Next Door. In connection with the Pieper Family Endowment Fund, the Next Door Endowment Fund was established to hold the annual distributions made from the Pieper Family Endowment Fund and any contributions made to the endowment fund that are not within the Pieper Family Endowment Fund's investment strategies.

Next Door Foundation, Inc.

Notes to Financial Statements

Note 16: Endowment Funds (Continued)

Changes in endowment net assets for the year ended June 30:

	Without Donor Restriction	With Donor Restriction	Total
Endowments at June 30, 2021	\$ 1,324,783	\$ 788,233	\$ 2,113,016
Contributions	11,889	-	11,889
Interest and dividends	24,398	10,185	34,583
Distribution	(69,608)	-	(69,608)
Net depreciation	(121,514)	(191,326)	(312,840)
Endowments at June 30, 2022	1,169,948	607,092	1,777,040
Contributions	32,991	-	32,991
Interest and dividends	109,511	114,690	224,201
Distribution	(42,719)	-	(42,719)
Net depreciation	-	-	-
Endowments at June 30, 2023	\$ 1,269,731	\$ 721,782	\$ 1,991,513

Pieper Endowment fund corpus to be held in perpetuity was originally valued at \$100,000 upon endowment inception in 2001. However, each year the corpus held in perpetuity is reevaluated based on one half of the annual appreciated value as that becomes the new endowment fund level. The endowment fund had an estimated \$410,891 and \$444,117 of corpus held in perpetuity as of June 30, 2023, and 2022 respectively.

Note 17: Conditional Awards

Next Door had commitments under various grants of approximately \$17,000,000 as of June 30, 2023. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

Next Door Foundation, Inc.

Notes to Financial Statements

Note 18: Contributed Nonfinancial Assets-In-kind Contributions

Contributed nonfinancial assets consist of the following for the years ended June 30:

	2023	2022
Contributed services	\$ 966,124	\$ 561,885
Program supplies	132,699	122,533
Total contributed non-financial assets	\$ 1,098,823	\$ 684,418

Next Door recognizes contributed non-financial assets within revenue, including services and program supplies. Unless otherwise noted, contributed non-financial assets did not have donor-imposed restrictions. Contributed program supplies are utilized by the program in which the supply was intended to support. It is valued at fair market value, as determined by the donor, at the time of the donation. Contributed services recognize professional services used in program support. Contributed services are valued and reported at the professional rate provided by the donor.

Note 19: Contingent Liabilities

Next Door receives a significant portion of their source of funds from federal, state, and local government funding. As such, Next Door is subject to administrative directives, rules, and regulations of federal, state, and local regulatory agencies. Next Door is also subject to funding source monitoring in relation to program compliance with grants and contracts. These monitoring reports from time-to-time may identify practices for which costs may be repayable to the funding source. Any potential liability for reimbursement, which may arise as a result of such audits, is not believed, by Next Door's management, to be material.

Supplementary Information

Next Door Foundation, Inc.

Schedule A-1

Schedule of Program Activity

Year Ended June 30, 2023

	FEDERAL PROGRAMS				
	Total	USDA			DHHS
		10.558			93.505
		Food Program (1)	Food Program (2)	10.558 Subtotal	Home Visitation (3)
REVENUE					
Total Grant Revenue Public	\$ 18,118,577	\$ 84,229	\$ 483,580	\$ 567,809	\$ 83,739
Grant revenue, private	3,228,810	0	0	0	0
United Way revenue	68,750	0	0	0	0
Contributions	1,225,078	0	0	0	27,000
Childcare revenue	2,332,690	0	0	0	0
Other income	1,899,433	0	0	0	0
Investment income	267,350	0	0	0	0
In-kind contributions	1,098,823	0	0	0	5,202
Transfers	0	44,862	0	44,862	0
Total Revenue	28,239,511	129,091	483,580	612,671	115,941
EXPENSES					
Salaries and wages	13,483,609	89,824	265,620	355,444	50,823
Fringe benefits	3,344,800	33,272	99,539	132,811	17,522
Staff training and enrichment	338,941	1,126	1,135	2,261	987
Recruitment	50,585	0	0	0	0
Supplies	1,433,471	41,821	269,901	311,722	13,529
Family support costs	119,678	0	0	0	1,248
Nutrition costs	0	(67,081)	(311,582)	(378,663)	0
Health and wellness costs	0	0	0	0	6,344
School library costs	0	0	0	0	0
Collaboration expense	2,218,992	0	0	0	0
Travel	49,452	0	0	0	3,057
Postage	15,301	0	0	0	0
Telephone	182,755	338	1,122	1,460	1,636
Insurance	103,336	0	0	0	0
Dues and subscriptions	71,557	79	0	79	300
Professional fees	881,266	55	0	55	593
Occupancy	1,978,576	29,657	112,983	142,640	3,487
Depreciation	719,273	0	0	0	0
Interest	519,818	0	0	0	0
Administration	(18,046)	0	0	0	10,803
Other	8,985	0	0	0	410
In-kind expenses	1,098,823	0	0	0	5,202
Total Expenses	26,601,172	129,091	438,718	567,809	115,941
Change in Net Assets	1,638,339	0	44,862	44,862	0
Net assets at beginning	12,041,789	0	0	0	0
NET ASSETS AT END	\$ 13,680,128	\$ 0	\$ 44,862	\$ 44,862	\$ 0

Next Door Foundation, Inc.

Schedule A-2

Schedule of Program Activity

Year Ended June 30, 2023

	FEDERAL PROGRAMS				
	Department of Health and Human Services (DHHS)				
	93.505				93.600
	Home Visitation (4)	93.505 Subtotal	Early Head Start - CCP (5)	Head Start (6)	
REVENUE					
Total Grant Revenue Public	\$ 371,513	\$ 455,253	\$ 4,774,866	\$ 8,373,973	
Grant revenue, private	0	0	85,000	998,274	
United Way revenue	0	0	0	0	
Contributions	0	27,000	0	373,347	
Childcare revenue	0	0	155,363	701,844	
Other income	2,595	2,595	12,557	3,648	
Investment income	0	0	0	0	
In-kind contributions	77,593	82,795	1,151,388	348,125	
Transfers	0	0	0	112,996	
Total Revenue	451,701	567,643	6,179,174	10,912,207	
EXPENSES					
Salaries and wages	167,033	217,856	1,316,881	3,999,702	
Fringe benefits	42,078	59,599	309,687	950,397	
Staff training and enrichment	4,850	5,837	92,217	57,498	
Recruitment	(177)	(177)	(1,464)	(2,969)	
Supplies	54,377	67,906	449,777	954,150	
Family support costs	5,212	6,459	101,636	1,259,480	
Nutrition costs	0	0	19,738	174,557	
Health and wellness costs	23,442	29,786	75,284	440,707	
School library costs	10,115	10,115	25,207	111,388	
Collaboration expense	0	0	1,945,342	253,155	
Travel	3,865	6,922	13,337	10,818	
Postage	0	0	0	515	
Telephone	4,544	6,181	22,253	43,842	
Insurance	0	0	0	0	
Dues and subscriptions	331	631	5,457	14,313	
Professional fees	6,502	7,095	13,191	14,549	
Occupancy	11,521	15,008	156,759	1,214,587	
Depreciation	0	0	0	0	
Interest	0	0	0	0	
Administration	34,267	45,071	477,048	989,347	
Other	0	411	5,436	78,046	
In-kind expenses	77,593	82,795	1,151,388	348,125	
Total Expenses	445,553	561,495	6,179,174	10,912,207	
Change in Net Assets	6,148	6,148	0	0	
Net assets at beginning	8,793	8,793	0	0	
NET ASSETS AT END	\$ 14,941	\$ 14,941	\$ 0	\$ 0	

Next Door Foundation, Inc.

Schedule A-3
 Schedule of Program Activity
 Year Ended June 30, 2023

	FEDERAL PROGRAMS			
	DHHS			Total Federal Programs
	93.600			
	Early Head Start	American Rescue Plan	93.600 Subtotal	
(7)	(8)			
REVENUE				
Total Grant Revenue Public	\$ 2,101,090	\$ 1,310,078	\$ 16,560,007	\$ 17,583,069
Grant revenue, private	0	0	1,083,274	1,083,274
United Way revenue	0	0	0	0
Contributions	0	0	373,347	400,347
Childcare revenue	241,044	0	1,098,250	1,098,250
Other income	824	0	17,029	19,624
Investment income	0	0	0	0
In-kind contributions	198,071	0	1,697,584	1,780,379
Transfers	0	0	112,996	157,858
Total Revenue	2,541,029	1,310,078	20,942,487	22,122,801
EXPENSES				
Salaries and wages	948,896	78,736	6,344,216	6,917,516
Fringe benefits	207,383	30,727	1,498,194	1,690,603
Staff training and enrichment	51,185	2,512	203,411	211,509
Recruitment	(763)	33,033	27,838	27,661
Supplies	183,903	62,718	1,650,548	2,030,177
Family support costs	181,287	25,114	1,567,517	1,573,977
Nutrition costs	16,161	0	210,456	(168,206)
Health and wellness costs	128,079	0	644,070	673,855
School library costs	16,804	0	153,399	163,514
Collaboration expense	0	0	2,198,497	2,198,497
Travel	8,733	0	32,888	39,810
Postage	1	0	515	515
Telephone	14,053	743	80,891	88,531
Insurance	0	0	0	0
Dues and subscriptions	3,037	2,200	25,006	25,716
Professional fees	8,488	28,073	64,301	71,451
Occupancy	343,862	926,732	2,641,940	2,799,587
Depreciation	0	0	0	0
Interest	0	0	0	0
Administration	220,117	119,490	1,806,001	1,851,074
Other	11,732	0	95,215	95,626
In-kind expenses	198,071	0	1,697,584	1,780,379
Total Expenses	2,541,029	1,310,078	20,942,487	22,071,792
Change in Net Assets	0	0	0	51,009
Net assets at beginning	0	0	0	8,793
NET ASSETS AT END	\$ 0	\$ 0	\$ 0	\$ 59,802

Next Door Foundation, Inc.

Schedule A-4

Schedule of Program Activity

Year Ended June 30, 2023

STATE & LOCAL PROGRAMS					
	Wisconsin Head Start	Milwaukee Public Schools K4/K5	Books for Kids	ESSER II ESSER III	Pathways
	(9)	(10)	(11)	(12)	(13)
REVENUE					
Total Grant Revenue Public	\$ 421,619	\$ 34,639	\$ 0	\$ 79,250	\$ 0
Grant revenue, private	0	0	0	0	202,315
United Way revenue	0	0	0	0	0
Contributions	0	1,648	186,879	0	175,076
Childcare revenue	0	1,234,440	0	0	0
Other income	0	13,989	0	0	0
Investment income	0	0	0	0	0
In-kind contributions	2,292	2,926	2,946	0	0
Transfers	(487)	729,016	0	12,410	0
Total Revenue	423,424	2,016,658	189,825	91,660	377,391
EXPENSES					
Salaries and wages	201,232	646,762	119,716	50,146	150,111
Fringe benefits	46,820	153,947	43,553	24,261	41,882
Staff training and enrichment	5,237	4,076	828	247	26,947
Recruitment	(58)	(570)	140	0	263
Supplies	40,311	387,812	71,247	485	8,696
Family support costs	11,689	248,152	0	0	3,470
Nutrition costs	0	33,683	0	0	0
Health and wellness costs	33,309	92,657	0	0	0
School library costs	3,287	28,491	(195,292)	0	0
Collaboration expense	20,496	0	0	0	0
Travel	0	1,446	113	0	0
Postage	0	47	8,310	0	0
Telephone	0	14,803	783	0	398
Insurance	0	0	0	0	0
Dues and subscriptions	0	1,172	0	0	0
Professional fees	24	11,303	0	0	31,500
Occupancy	19,511	181,207	98,306	4,104	2,444
Depreciation	0	0	0	0	0
Interest	0	0	0	0	0
Administration	39,274	188,658	14,782	12,417	26,140
Other	0	20,086	115	0	0
In-kind expenses	2,292	2,926	2,946	0	0
Total Expenses	423,424	2,016,658	165,547	91,660	291,851
Change in Net Assets	0	0	24,278	0	85,540
Net assets at beginning	0	0	2,917	0	3,116
NET ASSETS AT END	\$ 0	\$ 0	\$ 27,195	\$ 0	\$ 88,656

Next Door Foundation, Inc.

Schedule A-5

Schedule of Program Activity

Year Ended June 30, 2023

	STATE & LOCAL PROGRAMS			DISCRETIONARY ACTIVITY		
				Board Designated		
	Special Purpose (14)	Total State & Local Programs	Total Programs	Helwig Center (15)	Next Door Endowment Fund (16)	Capital Improvement Fund (17)
REVENUE						
Total Grant Revenue Public	\$ 0	\$ 535,508	\$ 18,118,577	\$ 0	\$ 0	\$ 0
Grant revenue, private	73,670	275,985	1,359,259	0	0	0
United Way revenue	0	0	0	0	0	0
Contributions	2,000	365,603	765,950	0	0	0
Childcare revenue	0	1,234,440	2,332,690	0	0	0
Other income	0	13,989	33,613	0	0	0
Investment income	0	0	0	0	99,783	0
In-kind contributions	0	8,164	1,788,543	0	0	0
Transfers	0	740,939	898,797	0	0	0
Total Revenue	75,670	3,174,628	25,297,429	0	99,783	0
EXPENSES						
Salaries and wages	58,621	1,226,586	8,144,102	0	0	0
Fringe benefits	20,050	330,513	2,021,117	0	0	0
Staff training and enrichment	12,160	49,494	261,004	0	0	0
Recruitment	0	(224)	27,436	0	0	0
Supplies	8,618	517,168	2,547,344	0	0	0
Family support costs	393	263,705	1,837,682	0	0	0
Nutrition costs	0	33,683	(134,523)	0	0	0
Health and wellness costs	0	125,966	799,821	0	0	0
School library costs	0	(163,514)	0	0	0	0
Collaboration expense	0	20,496	2,218,992	0	0	0
Travel	0	1,559	41,369	0	0	0
Postage	0	8,357	8,873	0	0	0
Telephone	289	16,274	104,805	0	0	0
Insurance	0	0	0	0	0	0
Dues and subscriptions	0	1,172	26,888	0	0	0
Professional fees	47,209	90,037	161,487	0	0	0
Occupancy	46,928	352,499	3,152,087	0	0	0
Depreciation	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Administration	7,156	288,427	2,139,501	0	0	0
Other	(115,712)	(95,511)	115	0	0	0
In-kind expenses	0	8,164	1,788,543	0	0	0
Total Expenses	85,712	3,074,851	25,146,643	0	0	0
Change in Net Assets	(10,042)	99,777	150,786	0	99,783	0
Net assets at beginning	16,626	22,659	31,452	58,626	1,169,948	150,000
NET ASSETS AT END	\$ 6,584	\$ 122,436	\$ 182,238	\$ 58,626	\$ 1,269,731	\$ 150,000

See Independent Auditor's Report.

Next Door Foundation, Inc.

Schedule A-6

Schedule of Program Activity

Year Ended June 30, 2023

	OTHER		WITH REST.	
	GAAP		Total	Pieper
	Adjustments	Other	Discretionary	Foundation
	(18)	(19)	Activity	Endowment
				(20)
REVENUE				
Grant revenue, public	\$ 0	\$ 0	\$ 0	\$ 0
Grant revenue, private	0	1,869,551	1,869,551	0
United Way revenue	0	68,750	68,750	0
Contributions	0	459,127	459,127	0
Childcare revenue	0	0	0	0
Other income	0	1,865,820	1,865,820	0
Investment income	0	52,877	152,660	114,690
In-kind contributions	(721,433)	31,713	(689,720)	0
Transfers	0	(898,797)	(898,797)	0
Total Revenue	(721,433)	3,449,041	2,827,391	114,690
EXPENSES				
Salaries and wages	0	5,339,508	5,339,508	0
Fringe benefits	0	1,323,683	1,323,683	0
Staff training and enrichment	0	77,938	77,938	0
Recruitment	0	23,149	23,149	0
Supplies	0	(1,113,873)	(1,113,873)	0
Family support costs	0	(1,718,005)	(1,718,005)	0
Nutrition costs	0	134,523	134,523	0
Health and wellness costs	0	(799,821)	(799,821)	0
School library costs	0	0	0	0
Collaboration expense	0	0	0	0
Travel	0	8,083	8,083	0
Postage	0	6,429	6,429	0
Telephone	0	77,949	77,949	0
Insurance	0	103,336	103,336	0
Dues and subscriptions	0	44,669	44,669	0
Professional fees	0	719,779	719,779	0
Occupancy	(773,963)	(399,548)	(1,173,511)	0
Depreciation	0	719,273	719,273	0
Interest	0	519,818	519,818	0
Administration	0	(2,157,548)	(2,157,548)	0
Other	0	8,871	8,871	0
In-kind expenses	(721,433)	31,713	(689,720)	0
Total Expenses	(1,495,396)	2,949,926	1,454,530	0
Change in Net Assets	773,963	499,115	1,372,861	114,690
Net assets at beginning	0	10,024,671	11,403,245	607,092
NET ASSETS AT END	\$ 773,963	\$ 10,523,786	\$ 12,776,106	\$ 721,782

Next Door Foundation, Inc.

Schedule B

Schedule of Expenditures of Federal and State Awards

Year Ended June 30, 2023

Federal Grantor/Program Title	AL Number	Pass-through Entity Identifying Number	Program Period	Federal Expenditures
DEPARTMENT OF AGRICULTURE				
Passed through the State of Wisconsin Department of Public Instruction				
Child and Adult Care Food Program	10.558	None provided	10/01/21-09/30/22	\$ 84,229
Child and Adult Care Food Program			10/01/22-09/30/23	438,718
COVID-19 Child and Adult Care Food Program				0
Total Department of Agriculture and Total Federal Expenditures AL 10.558				\$ 522,947
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the State of Wisconsin Department of Children and Families				
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.505	CFA0064	10/01/21-09/30/22	83,739
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Grant Program		CFA0064	10/01/22-09/30/23	371,513
Total Federal Expenditures AL 93.505				\$ 455,253
Direct Federal				
Head Start Cluster				
Early Head Start - Child Care Partnership	93.600	05HP00043103	06/01/22-05/31/23	4,400,834
Early Head Start - Child Care Partnership		05HP00043104	06/01/23-05/31/24	374,032
Head Start		05CH01102104	06/01/22-05/31/23	7,565,222
Head Start		05CH01102105	06/01/23-05/31/24	808,752
Early Head Start		05CH01198702	06/01/22-05/31/23	1,914,964
Early Head Start		05CH01198703	06/01/23-05/31/24	186,125
COVID-19 American Rescue Plan		05HE00022901	04/01/21-06/30/23	1,310,078
Total Federal Expenditures AL 93.600				16,560,007
Total Department of Health and Human Services				17,015,260
TOTAL FEDERAL EXPENDITURES				\$ 17,538,207
STATE OF WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION				
State Head Start		19-407042-HS	07/01/22-06/30/23	421,619
TOTAL STATE EXPENDITURES				\$ 421,619

Notes to Schedule of Expenditures of Federal and State Awards

Note 1: Basis of Presentation - The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of Next Door Foundation, Inc. under programs of the federal and state government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State Single Audit Guidelines as required by the State of Wisconsin Department of Administration. Because the schedule presents only a selected portion of the operations of Next Door Foundation, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Next Door Foundation, Inc.

Note 2: Summary of Significant Accounting Policies - Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and State Single Audit Guidelines, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate - Next Door Foundation, Inc. has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4: Subrecipients - Next Door Foundation, Inc. does not have any subrecipient expenditures for the year ended June 30, 2023.

Next Door Foundation, Inc.

Schedule of Charter School Revenue and Expenditures

Year Ended June 30, 2023

	<u>Contract Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
MPS Charter School	\$ 1,845,610	\$ 1,154,711	\$ (690,899)
Total Revenues	1,845,610	1,154,711	(690,899)
Expenses Instruction/Instructional Support Costs			
Salaries	\$ 877,221	\$ 539,379	\$ (337,842)
Benefits	272,927	139,617	(133,310)
Other Wages	0	0	0
Benefits	0	0	0
Purchased Services	126,320	77,898	(48,422)
Supplies	87,922	65,992	(21,930)
Capital Expenses	0	0	0
Other Wages	0	0	0
Total Expenses - Instructional	1,364,390	822,886	(541,504)
Expenses Non-Instruction/Instructional Support Costs			
Salaries	\$ 129,601	\$ 68,632	\$ (60,969)
Benefits	37,532	20,701	(16,831)
Other Wages	0	0	0
Benefits	0	0	0
Purchased Services	313,691	242,096	(71,595)
Supplies	396	396	0
Capital Expenses	0	0	0
Other Wages	0	0	0
Total Expenses - Non-Instructional	481,220	331,825	(149,395)
Total Expenses	1,845,610	1,154,711	(690,899)
Revenues in Excess of Expenditures	\$ 0	\$ 0	\$ 0

Independent Auditor’s Report on the Schedule of Charter School Revenue and Expenditures

Board of Directors
Next Door Foundation, Inc.
Milwaukee, Wisconsin

We have audited the accompanying schedule of charter school revenues and expenditures (as defined in the contract dated May 27, 2021, between Milwaukee Public Schools (MPS) and Next Door Foundation, Inc.) for Next Door Charter School for the year ended June 30, 2023. This schedule is the responsibility of Next Door Charter School’s management. Our responsibility is to (1) express an opinion on this schedule based on our audit and (2) express an opinion on Next Door Charter School’s compliance with the contract requirement that Next Door Charter School expend MPS charter school contract revenues consistent with the provisions of the contract and the 2021-2024 charter school operating budget approved by MPS Contracted Schools Services.

We conducted the audit in accordance with generally accepted auditing standards in the United States 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 schedule of charter school revenues and expenditures is free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule of charter school revenues and expenditures. An audit also includes assessing the accounting principles used and significant estimates made by the management of Next Door Charter School, as well as by the management of MPS. We believe that our audit provides a reasonable basis for our opinion.

Government Auditing Standards also require that we consider internal controls over financial reporting and compliance with requirements of laws, regulations, contracts, and grants. The management of Next Door Charter School is responsible for establishing and maintaining effective internal controls. In planning and performing our audit, we considered Next Door Charter School’s internal control over compliance with requirements that could have a direct and material effect on the financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the schedule of charter school revenues and expenditures. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving control over financial reporting and its operation that we consider to be material weaknesses.

In our opinion, (1) the schedule of charter school revenue and expenditures referred to above presents fairly, in all material respects, the expenditure and revenue activities of Next Door Foundation, Inc. for the year ended June 30, 2023, as defined in the contract referred to in the first paragraph, and (2) the expenditures reported for the year ended June 30, 2023, comply with the expenditure and annual operating budget requirements as defined in the contract referred to in the first paragraph.

Wipfli LLP

Wipfli LLP

March 28, 2024
Green Bay, Wisconsin

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*

Board of Directors
Next Door Foundation, Inc.
Milwaukee, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Next Door Foundation, Inc., which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Next Door Foundation, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 Next Door Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Next Door Foundation, Inc.'s internal control.

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 a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of the Next Door Foundation, Inc.'s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Next Door Foundation, Inc.'s financial statements are free from 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 financial statements. 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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Next Door Foundation, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Next Door Foundation, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

March 28, 2024

Green Bay, Wisconsin

Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Guidelines

Board of Directors
Next Door Foundation, Inc.
Milwaukee, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Next Door Foundation, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the State Single Audit Guidelines, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of Next Door Foundation, Inc.'s major federal and state and state program for the year ended June 30, 2023. Next Door Foundation, Inc.'s major federal and state program are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Next Door Foundation, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal and state program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and the State Single Audit Guidelines, issued by the Wisconsin Department of Administration. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Next Door Foundation, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Next Door Foundation, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Next Door Foundation, Inc.'s federal and state program.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Next Door Foundation, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, the State Single Audit Guidelines, issued by the Wisconsin Department of Administration, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Next Door Foundation, Inc.'s compliance with the requirements of the major federal and state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, State Single Audit Guidelines, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Next Door Foundation, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Next Door Foundation, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and State Single Audit guidelines, but not for the purpose of expressing an opinion on the effectiveness of Next Door Foundation, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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 and state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state programs that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over-compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, and State Single Audit Guidelines. Accordingly, this report is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

March 28, 2024

Green Bay, Wisconsin

Next Door Foundation, Inc.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes x no

Significant deficiency(ies) identified? ___ yes x no

Noncompliance material to financial statements noted? ___ yes x no

Federal and State Awards

Internal control over major programs:

Material weakness(es) identified? ___ yes x no

Significant deficiency(ies) identified? ___ yes x no

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]? ___ yes x no

Identification of major federal programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start Program

Identification of major state programs:

<u>Identifying Number</u>	<u>Name of State Program or Cluster</u>
N/A	State Head Start

Dollar threshold used to distinguish between Type A and Type B programs:

Federal	\$750,000
State	\$250,000

Auditee qualified as low-risk auditee? Yes

Next Door Foundation, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Prior Year Findings and Questioned Costs

None

Section V - Other Issues

Does the auditor’s report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee’s ability to continue as a going concern? ___ yes x no

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, reportable condition, management letter comment) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Wisconsin Department of Public Instruction ___ yes x no
Wisconsin Department of Children and Families ___ yes x no

Was a management letter or other document conveying audit comments issued as a result of this audit? ___ yes x no

Name and Signature of Partner 

Stephanie Cavadeas, CPA

Report Date March 28, 2024