

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

In planning and performing our audit, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As stated in our engagement letter dated October 1, 2015, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

Circular A-133 Our Responsibility Under Auditing Standards Generally Accepted in the United States and OMB

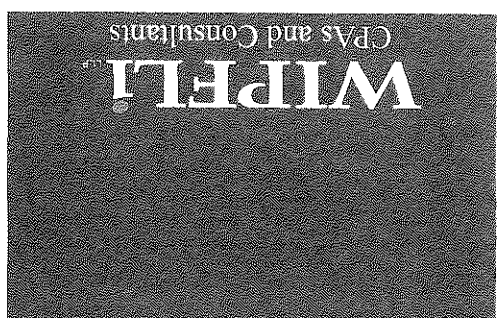
We have audited the financial statements of Next Door Foundation, Inc. (the "Organization") for the year ended June 30, 2015, and have issued our report thereon dated November 19, 2015 Professional standards require that we provide you with the following information related to our audit:

Dear Board of Directors:

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

November 19, 2015

Wipfli LLP
2501 West Beltline Highway, Suite 401
Madison, WI 53713
PO Box 8700
Madison, WI 53708-8700
608.274.1980
fax 608.274.8085
www.wipfli.com



However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the Organization's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the purpose of expressing an opinion on the Organization's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Organization's compliance with those requirements.

Supplementary Information Accompanying Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to your representative, Mr. Craig Becker, in our audit information requests, in addition to our engagement letter dated October 1, 2015, by Ms. Tracey Sparrow.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's expectations. The most sensitive estimates affecting the financial statements are the collectibility and discount to present value of long-term pledges receivable, the allocation of functional expenses, and the useful lives of property and equipment.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are as follows:

- The disclosure of pledges receivable in Note 6 to the financial statements indicates the timing and likelihood of future cash collections on pledges receivable.
- The disclosure of endowments in Note 14 to the financial statements provides a reader with a clear picture of the Organization's investment policies and endowment activities.
- The disclosure of fair value measurements in Note 4 to the financial statements provides information regarding the measurement of certain assets.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The bullet point list below summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

- Passed audit adjustment to record revenue and pledges receivable for a multi-year contribution in the amount of \$60,000.
- Passed audit adjustment to record a liability and expense for settlement due on the self-insured unemployment compensation insurance policy in the amount of \$49,052.
- Passed audit adjustment on the impact to grants for the self-insured unemployment accrual as a receivable and revenue would be recognized for the same amount of \$49,052.

We proposed no audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the Organization's financial reporting process.

Board of Directors
Next Door Foundation, Inc.

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November 19, 2015

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 19, 2015 a copy of which accompanies this letter.

Management Consultations With Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. To our knowledge, management has not obtained any opinions from other independent accountants on the application of accounting principles generally accepted in the United States which would affect the Organization's financial statements or on the type of opinion which may be rendered on the financial statements.

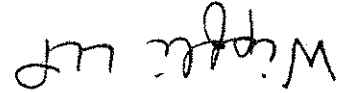
Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors for the preceding year. However, these discussions occurred in the normal course of our professional relationship and our responses were not, in our judgment, a condition of our retention.

We appreciate the opportunity to be of service to Next Door Foundation, Inc.

This letter is intended solely for the use of the Board of Directors and, if appropriate, management, others within the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,



Wipff LLP

Enc.

1594636 SAS 114

Wipff LLP
2501 West Beltline Highway, Suite 401
P.O. Box 8700
Madison, WI 53708-8700

This representation letter is provided in connection with your audits of the financial statements of Next Door Foundation, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (GAAP).

This representation letter is also provided in connection with your audit of the federal and state award programs of the Organization as of and for the year ended June 30, 2015 which was performed in accordance with auditing standards generally accepted in the United States; the Single Audit Act Amendments of 1996, OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*; State of Wisconsin Single Audit Guidelines; and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We understand that the purpose of your testing of transactions and records from the Organization's federal and state programs was to obtain reasonable assurance that the Organization had complied, in all material respects, with the compliance requirements that could have a direct and material effect on each of its major programs.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors. We confirm, to the best of our knowledge and belief as of the date of this letter, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 1, 2015.

2. The financial statements referred to above are fairly presented in conformity with GAAP.

3. We acknowledge our responsibility 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.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.
7. All events subsequent to the date of the financial statements and for which GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.
10. Material concentrations have been properly disclosed in accordance with GAAP.
11. Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with GAAP.
12. As part of your audit, you prepared the draft financial statements and related notes and schedule of expenditures of federal awards. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have assumed all management responsibilities. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.

Information Provided

13. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
14. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.

- c. Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, regulators, or others.
17. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
18. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
19. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GAAP.
20. We have disclosed to you the identity of the Organization's related parties and all the related party relationships and transactions of which we are aware.
21. The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any material asset been pledged, except as disclosed in the notes to the financial statements.
22. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the statement of financial position date and have been appropriately reduced to their estimated net realizable value.
23. Pledges receivable are recorded at their net realizable value and discounted at a rate of between 3.15% and 5%. We believe the discount rate is reasonable and commensurate with the risk to the Organization.
24. Contributed services and goods have been recorded as contributions in accordance with FASB ASC 958-605 (formerly SFAS No. 116). Amounts which do not meet the criteria of FASB ASC 958-605 have been excluded from the basic financial statements and are disclosed in Note 1 to the financial statements.
25. The Organization has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
26. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Organization vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
27. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

28. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.

29. Next Door Foundation, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up to date.

30. We acknowledge our responsibility for presenting the Schedule of Program Activity and the Schedule of Expenditures of Federal Awards and List of Programs (collectively the "supplementary information") in accordance with accounting principles generally accepted in the United States, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

With Respect to Federal and State Award Programs

31. With respect to federal and state award programs:

a. We are responsible for complying and have complied with the requirements of the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and any other applicable laws and regulations and provisions of contracts and grant agreements.

b. We are responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs and have identified and disclosed to you the requirements of laws, regulations and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal or state program.

c. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal and state programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs and state. We believe the internal control system is adequate and is functioning as intended.

d. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relating to federal and state programs. We were unable to provide one amendment, but provided contact information for a Government official that could provide this document.

e. We have received no requests from a federal or state agency to audit one or more specific programs as a major program.

- f. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal and state awards and have identified and disclosed to you all amounts questioned and all noncompliance with the direct and material compliance requirements of federal and state awards.
- g. We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the applicable compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- h. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- i. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, and Subpart C, *Cost Sharing and Matching*, of OMB Circular A-110, *Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*.
- j. We have disclosed to you our interpretation of compliance requirements that have varying interpretations, if any.
- k. We have made available to you all documentation relating to the compliance requirements with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- l. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- m. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance) have occurred subsequent to the date as of which compliance was audited.
- n. Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
- o. The copies of federal and state program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
- p. We have charged costs to federal and state awards in accordance with applicable cost principles.
- q. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133, and we have provided you

with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

r. We will accurately complete the appropriate sections of the Data Collection Form and are responsible for the accuracy and completeness of the form as required by OMB Circular A-133.

32. There have been no irregularities or instances of fraud involving management, employees who administer federal or state programs, or other employees that could have a material effect on federal and state programs.

33. There has been no known noncompliance occurring subsequent to June 30, 2015 or events occurring subsequent to that date that would require adjustment to or disclosure in the schedule of expenditures of federal awards (the "SEFA").

Schedule of Expenditures of Federal Awards

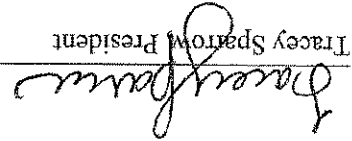
34. The SEFA and related notes to the SEFA are accurate and complete in all material respects, presents the information required by OMB Circular A-133, and include all federal program expenditures made during the year ended June 30, 2015.

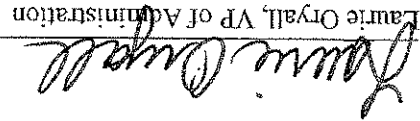
35. We acknowledge our responsibility for presenting the SEFA in accordance with the requirements of OMB Circular A-133 Section 310.b, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Circular. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.

36. The Organization has identified in the SEFA all awards provided by federal agencies in the form of grants, federal cost reimbursement contracts, loans, loan guarantees and other non-cash awards, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.

37. Information presented in federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the Organization's basic financial statements have been prepared on a basis consistent with that presented in the schedule of expenditures of federal and state awards. Amounts claimed or used for matching were determined in accordance with the applicable cost circulars and administrative requirements.

Sincerely,


Tracey Sparrow, President

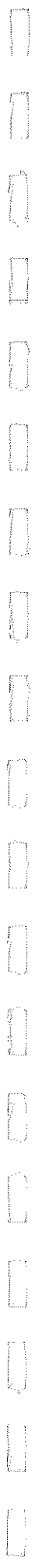

Laurie Oryall, VP of Administration

11/19/15
[Date]

11/19/2015
[Date]

Next Door Foundation, Inc.
Milwaukee, Wisconsin

Financial Statements and Supplementary Information
Years Ended June 30, 2015 and 2014



Next Door Foundation, Inc.

Financial Statements and Supplementary Information
Years Ended June 30, 2015 and 2014

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