

UNITED NEIGHBORHOOD CENTERS OF MILWAUKEE, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(With Summarized Totals for the Year Ended December 31, 2010)

UNITED NEIGHBORHOOD CENTERS OF MILWAUKEE, INC.

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Independent Auditor's Report

Board of Directors
United Neighborhood Centers of Milwaukee, Inc.

We have audited the accompanying balance sheet of United Neighborhood Centers of Milwaukee, Inc. as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of United Neighborhood Centers of Milwaukee, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2010 financial statements and, in our report dated April 25, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Neighborhood Centers of Milwaukee, Inc. as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of United Neighborhood Centers of Milwaukee, Inc. taken as a whole. The accompanying schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
May 7, 2012

Ritz Holman LLP
Serving businesses, nonprofits, individuals and trusts.

Two Plaza East, Suite 550 t. 414.271.1451
330 East Kilbourn Avenue f. 414.271.7464
Milwaukee, WI 53202 ritzholman.com

UNITED NEIGHBORHOOD CENTERS OF MILWAUKEE, INC.
BALANCE SHEET
DECEMBER 31, 2011
(With Summarized Totals for December 31, 2010)

ASSETS

	2011	2010
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 65,068	\$ 188,997
Accounts Receivable	18,980	6,500
Grants Receivable	100,975	26,323
Prepaid Expenses	9,131	13,130
Current Pledges Receivable	364,428	561,735
Total Current Assets	\$ 558,582	\$ 796,685
LONG-TERM ASSETS		
Net Long-Term Pledges Receivable	\$ ---	\$ 145,278
Total Long-Term Assets	\$ ---	\$ 145,278
FIXED ASSETS		
Database	\$ 12,500	\$ 12,500
Less: Accumulated Depreciation	(6,250)	(3,750)
Net Fixed Assets	\$ 6,250	\$ 8,750
TOTAL ASSETS	\$ 564,832	\$ 950,713

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 32,431	\$ 2,642
Accrued Payroll	8,485	7,043
Deferred Revenue	---	2,500
Total Current Liabilities	\$ 40,916	\$ 12,185
NET ASSETS		
Unrestricted	\$ 150,983	\$ 148,319
Temporarily Restricted	372,933	790,209
Total Net Assets	\$ 523,916	\$ 938,528
TOTAL LIABILITIES AND NET ASSETS	\$ 564,832	\$ 950,713

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

UNITED NEIGHBORHOOD CENTERS OF MILWAUKEE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011
(With Summarized Totals for the Year Ended December 31, 2010)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2011 Total</u>	<u>2010 Total</u>
REVENUE				
Foundation Grants	\$ 50,734	\$ 37,222	\$ 87,956	\$ 183,736
Corporation Contributions	---	---	---	545
Brighter Futures	40,000	---	40,000	40,000
Violence Prevention Initiative	176,511	---	176,511	4,403
Milwaukee Area Workforce Investment Board	96,335	---	96,335	181,455
Program Fees	14,250	---	14,250	---
Database Fees	11,250	---	11,250	12,000
Membership Dues	40,500	---	40,500	40,000
Contributions	538	---	538	568
Released From Restrictions	454,498	(454,498)	---	---
Total Revenue	<u>\$ 884,616</u>	<u>\$ (417,276)</u>	<u>\$ 467,340</u>	<u>\$ 462,707</u>
EXPENSES				
Program Services	\$ 812,481	\$ ---	\$ 812,481	\$ 553,091
Management and Support	69,471	---	69,471	68,434
Total Expenses	<u>\$ 881,952</u>	<u>\$ ---</u>	<u>\$ 881,952</u>	<u>\$ 621,525</u>
CHANGE IN NET ASSETS	\$ 2,664	\$ (417,276)	\$ (414,612)	\$ (158,818)
Net Assets, Beginning of Year	<u>148,319</u>	<u>790,209</u>	<u>938,528</u>	<u>1,097,346</u>
NET ASSETS, END OF YEAR	<u><u>\$ 150,983</u></u>	<u><u>\$ 372,933</u></u>	<u><u>\$ 523,916</u></u>	<u><u>\$ 938,528</u></u>

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

UNITED NEIGHBORHOOD CENTERS OF MILWAUKEE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011
(With Summarized Totals for the Year Ended December 31, 2010)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (414,612)	\$ (158,818)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	2,500	2,500
(Increase) Decrease in Accounts Receivable	(12,480)	36,392
(Increase) Decrease in Grants Receivable	(74,652)	12,063
(Increase) Decrease in Pledges Receivable	342,585	278,589
Increase (Decrease) in Prepaid Expenses	3,999	(12,048)
Increase (Decrease) in Accounts Payable	29,789	(12,885)
Increase (Decrease) in Accrued Payable	1,442	3,255
Increase (Decrease) in Deferred Revenue	(2,500)	---
	\$ (123,929)	\$ 149,048
Net Cash (Used) Provided by Operating Activities		
Net (Decrease) Increase in Cash and Cash Equivalents	\$ (123,929)	\$ 149,048
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	188,997	39,949
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 65,068	\$ 188,997

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

UNITED NEIGHBORHOOD CENTERS OF MILWAUKEE, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

UNITED NEIGHBORHOOD CENTERS OF MILWAUKEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE A - Summary of Significant Accounting Policies

Organization

The Organization is a family of eight neighborhood centers united by a commitment to develop city-wide programming that advances community strengths and growth.

Accounting Method

The financial statements of United Neighborhood Centers of Milwaukee, Inc. have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents

Cash and Cash Equivalents include all highly liquid debt instruments with an original maturity of less than three months.

Fixed Assets

Fixed Assets are recorded at cost and are depreciated over the estimated useful lives of the assets using the straight-line method. The Organization capitalizes expenses greater than \$2,000.

Basis of Presentation

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

The Organization had \$150,000 of temporarily time-restricted net assets, \$8,505 of temporarily purpose-restricted net assets and \$214,428 of temporarily time- and purpose-restricted net assets at December 31, 2011.

Contributions

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

Estimates

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

**UNITED NEIGHBORHOOD CENTERS OF MILWAUKEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

NOTE B - Reclassification

For comparability, certain 2010 amounts have been reclassified to conform with classifications adopted in 2011. The reclassifications have no effect on reported amounts of net assets or change in net assets.

NOTE C - Comparative Financial Information

The financial information shown for 2010 in the accompanying financial statements is included to provide a basis for comparison with 2011 and presents summarized totals only.

NOTE D - Grants Receivable

Grants Receivable consists of the following at December 31, 2011:

<u>Source</u>	<u>Amount</u>
Milwaukee Area Workforce Investment Board	\$ 29,889
Miscellaneous	3,539
Violence Prevention Initiative	<u>67,547</u>
Total	<u>\$100,975</u>

NOTE E - Pledges Receivable

Pledges Receivable is comprised of foundation grants to be collected in the year ending December 31, 2012. Pledges Receivable is \$364,428 for the year ending December 31, 2011.

Pledges Receivable is expected to be collected as follows:

<u>In the Year Ending December 31,</u>	<u>Amount</u>
2012	<u>\$364,428</u>
Total	<u>\$364,428</u>

UNITED NEIGHBORHOOD CENTERS OF MILWAUKEE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE F - Operating Lease

The Organization rents office space in Milwaukee, Wisconsin. The lease term extends from August 1, 2011 through July 31, 2012. The lease requires monthly payments of \$1,621. Rent expense included in Occupancy was \$19,116 during the year ended December 31, 2011. Future minimum rental payments under the lease are as follows:

<u>For the Year Ending December 31,</u>	<u>Amount</u>
2012	<u>\$11,347</u>
Total	<u>\$11,347</u>

NOTE G - Income Taxes

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

NOTE H - Subsequent Event

The Organization has evaluated events and transactions occurring after December 31, 2011 through May 7, 2012, the date the financial statements were available to be issued, for possible adjustments to the financial statements or disclosures. The Organization has determined that no subsequent events need to be disclosed.

UNITED NEIGHBORHOOD CENTERS OF MILWAUKEE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011
(With Summarized Totals for the Year Ended December 31, 2010)

EXPENSES	Program Services	Management and Support	2011 Total	2010 Total
Salaries	\$ 448,956	\$ 11,988	\$ 460,944	\$ 302,716
Employee Benefits	51,055	1,355	52,410	27,042
Payroll Taxes	40,036	1,220	41,256	24,534
Professional Fees	129,280	20,427	149,707	103,222
Telephone	12,932	3,699	16,631	16,633
Postage	17	247	264	159
Printing	214	840	1,054	43
Occupancy	19,116	---	19,116	18,659
Equipment Rental and Maintenance	1,637	224	1,861	1,955
Depreciation	---	2,500	2,500	2,500
Utilities	914	609	1,523	1,708
Auto and Travel	15,316	4,395	19,711	19,061
Meeting Expense	1,309	5	1,314	10,024
Insurance	1,718	2,167	3,885	3,024
Membership Dues	1,293	687	1,980	964
Training	5,932	200	6,132	2,883
Bank Service Fees	---	289	289	273
Web Hosting Fees	1,176	---	1,176	2,150
Database Development	4,750	8,250	13,000	6,000
Outside Services	5,600	---	5,600	16,265
Supplies	2,107	2,333	4,440	6,792
Program Supplies	4,190	83	4,273	5,397
Marketing	---	125	125	1,187
SS Tools and Work App	---	---	---	37,370
Walk for Wellness	---	8,640	8,640	8,288
Other Equipment	---	2,079	2,079	2,210
Food	3,077	902	3,979	273
Purchased Contracts	53,589	---	53,589	---
Indirect Costs Allocated	7,830	(7,830)	---	---
Miscellaneous	437	4,037	4,474	193
TOTAL EXPENSES	\$ 812,481	\$ 69,471	\$ 881,952	\$ 621,525