

Financial Statements

Webber-Camden Neighborhood Organization
(a Nonprofit Corporation)
Minneapolis, Minnesota

For the Year Ended
December 31, 2015

WEBBER-CAMDEN NEIGHBORHOOD ORGANIZATION
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Webber-Camden Neighborhood Organization
Minneapolis, Minnesota

We have reviewed the accompanying financial statements of Citizens for a Webber-Camden Neighborhood Organization (the Organization), a Minnesota nonprofit corporation, which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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 of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
April 26, 2017

FINANCIAL STATEMENTS

WEBBER-CAMDEN NEIGHBORHOOD ORGANIZATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 2,540
Grants receivable	<u>6,777</u>

TOTAL ASSETS	<u><u>\$ 9,317</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 2,777
Deferred revenue	<u>10,000</u>

TOTAL LIABILITIES	<u>12,777</u>
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NET ASSETS

Unrestricted	<u>(3,460)</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 9,317</u></u>
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See Independent Accountant's Review Report and Notes to the Financial Statements.

WEBBER-CAMDEN NEIGHBORHOOD ORGANIZATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

REVENUE AND SUPPORT	
REVENUE	
Governmental grants	\$ 93,874
SUPPORT	
Contributions	<u>285</u>
TOTAL REVENUE AND SUPPORT	<u>94,159</u>
EXPENSES	
Program services	83,699
Management and general	<u>10,115</u>
TOTAL EXPENSES	<u>93,814</u>
CHANGE IN NET ASSETS	345
NET ASSETS, JANUARY 1	<u>(3,805)</u>
NET ASSETS, DECEMBER 31	<u><u>\$ (3,460)</u></u>

See Independent Accountant's Review Report and Notes to the Financial Statements.

WEBBER-CAMDEN NEIGHBORHOOD ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2015

EXPENSES	Program Services	Management and General	Total Expenses
Professional services	\$ 67,266	\$ 7,983	\$ 75,249
Occupancy	8,041	894	8,935
Office supplies	109	542	651
Training	-	401	401
Insurance	-	270	270
Program	8,283	-	8,283
Miscellaneous	-	25	25
 TOTAL EXPENSES	 <u>\$ 83,699</u>	 <u>\$ 10,115</u>	 <u>\$ 93,814</u>

See Independent Accountant's Review Report and Notes to the Financial Statements.

WEBBER-CAMDEN NEIGHBORHOOD ORGANIZATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 345
Adjustment to reconcile change in net assets to net cash used by operating activities:	
Change in current assets and liabilities:	
Grants receivable	(6,777)
Accounts payable	<u>2,777</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(3,655)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(3,655)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>6,195</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 2,540</u></u>

See Independent Accountant's Review Report and Notes to the Financial Statements.

WEBBER-CAMDEN NEIGHBORHOOD ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The Webber-Camden Neighborhood Organization (the Organization) is a neighborhood organization which represents Webber neighborhood and Camden neighborhood of Minneapolis, MN. The Organization's borders extend from Interstate 94 on the east and Penn and Newton avenues to the west to Dowling Avenue on the south and Webber Parkway on the north. In 1995, the neighborhood added "Webber" to the original name "Camden", changing the name to "Webber-Camden". The neighborhood has industrial zones and a mix of middle-class and working-class homes. The mission of the Organization is to "advocate for residents on crime and safety, sponsor fun events during the year and provide senior and home loan programs through Neighborhood Revitalization Program (NRP) funding. A special emphasis has been placed on housing issues: foreclosures, vacant houses and illegal rentals, and connecting residents who have foreclosure issues to the appropriate agencies for help."

B. Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Contributions received are recorded as an increase in unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - Unrestricted net assets are those resources over which the Organization has discretionary control. Designated amounts represent revenues that the Board of Directors has set aside for a particular purpose.

Temporarily Restricted Net Assets - Temporarily restricted net assets are those resources subject to donor-imposed restrictions, which will be satisfied by actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets - Permanently restricted net assets are those resources subject to donor imposed restrictions that they be maintained permanently by the Organization. There were no permanently restricted net assets at December 31, 2015.

C. Use of Estimates

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

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

E. Grants Receivable

Grants receivable consist of amounts earned by the Organization that are receivable under reimbursement contracts with the City of Minneapolis.

WEBBER-CAMDEN NEIGHBORHOOD ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Support and Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily restricted net assets and releases from restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

G. Deferred Revenue

Deferred revenue at December 31, 2015 consisted of \$10,000 advanced from the City of Minneapolis under the Organization's NRP contract.

H. Functional Allocation of Expenses

Salary and related payroll expenses are allocated to the program services based upon payroll records and the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting service, are allocated based on the best estimates of management.

I. Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. The Organization is not a private foundation and contributions to the Organization qualify as a charitable deduction by the contributor.

The Organization has evaluated for uncertain tax positions. Management has expressed that there are no uncertain tax positions as of December 31, 2015. The Organization's tax returns are subject to possible examination by the taxing authorities. For federal tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the date on which those returns are filed. The Organization believes that it is no longer subject to federal and state income tax examinations for the year prior to 2012.

J. Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 26, 2017, the date the financial statements were available to be issued.

Note 2: OPERATING LEASE

The Organization is obligated under various leases for office space and for equipment used in its operations. The Organization has a month-month lease for office space. Lease payments were \$7,128 for 2015. There were no future payments required under this lease agreement at December 31, 2015.

WEBBER-CAMDEN NEIGHBORHOOD ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 3: CONCENTRATION

A substantial portion of the Organization's revenues are received in the form of a grant contract from the City of Minneapolis; therefore, the Organization is dependent upon future continuation of this contract. The Organization encounters a certain amount of credit risk as the result of a concentration of revenues from, and receivables from this significant source. A significant reduction in the level of fees earned from these entities may have an impact on the Organization's ability to continue its programs and services.

Note 4: RELATED PARTY TRANSACTIONS

The Organization shared management personnel and occupancy costs with another neighborhood organization. Payments for these shared services totaled \$81,662 for the year ended December 31, 2015. Amounts payable to the related party at December 31, 2015 totaled \$2,777.