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Form

990**Return of Organization Exempt From Income Tax**

OMB No 1545-0047

2010Department of the Treasury
Internal Revenue ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

**Open to Public
Inspection****A** For the 2010 calendar year, or tax year beginning , and ending**B** Check if applicable☐ Address change☐ Name change☐ Initial return☐ Terminated☐ Amended return☐ Application pending**C** Name of organization**The Neighbors' Place, Inc.**

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

745 Scott Street

Room/suite

City or town, state or country, and ZIP + 4

Wausau**WI 54403****D** Employer identification number**39-1640241****E** Telephone number**715-845-1966****G** Gross receipts \$ **883,403****F** Name and address of principal officer**Thomas L. Rau****745 Scott Street****Wausau****WI 54403****H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶**I** Tax-exempt status☒ 501(c)(3)☐ 501(c) ()

(insert no)

☐ 4947(a)(1) or☐ 527**J** Website: ▶ **N/A****K** Form of organization☒ Corporation☐ Trust☐ Association☐ Other ▶**L** Year of formation **1987****M** State of legal domicile **WI****Part I Summary****1** Briefly describe the organization's mission or most significant activities**To help individuals in need by providing food, clothing, household items, education, and a community garden.****2** Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets**3** Number of voting members of the governing body (Part VI, line 1a)**3** **16****4** Number of independent voting members of the governing body (Part VI, line 1b)**4** **16****5** Total number of individuals employed in calendar year 2010 (Part V, line 2a)**5** **10****6** Total number of volunteers (estimate if necessary)**6** **100****7a** Total unrelated business revenue from Part VIII, column (C), line 12**7a****b** Net unrelated business taxable income from Form 990-T, line 34**7b** **0****8** Contributions and grants (Part VIII, line 1h)

Prior Year

523,426

Current Year

755,940**9** Program service revenue (Part VIII, line 2g)**19,136****22,024****10** Investment income (Part VIII, column (A), lines 3, 4, and 7d)**638****690****11** Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)**83,122****104,749****12** Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)**626,322****883,403****13** Grants and similar amounts paid (Part IX, column (A), lines 1-3)**14** Benefits paid to or for members (Part IX, column (A), line 4)**15** Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)**163,051****167,483****16a** Professional fundraising fees (Part IX, column (A), line 11e)**b** Total fundraising expenses (Part IX, column (D), line 25) ▶**17** Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)**119,457****563,281****18** Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)**282,508****730,764****19** Revenue less expenses Subtract line 18 from line 12**343,814****152,639**Net Assets or
Fund Balances**20** Total assets (Part X, line 16)

Beginning of Current Year

471,811

End of Year

621,679**21** Total liabilities (Part X, line 26)**18,594****15,823****22** Net assets or fund balances. Subtract line 21 from line 20**453,217****605,856****Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign
Here**

Signature of officer

Thomas L. Rau

Date

6/23/2011

Type or print name and title

Executive Director**Paid****Preparer****Use Only**

Print/Type preparer's name

John J. Hack

Preparer's signature

John J. Hack, CPA

Date

6/22/2011Check ☐ if PTIN

Self-employed

P00583905Firm's name ▶ **Hack CPA, S.C.**Firm's EIN ▶ **83-0413591**Firm's address ▶ **3205 Terrace Court Suite 201**Phone no **715-848-5404**Firm's address ▶ **Wausau, WI 54401**

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2010)

DAA

617

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Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III ☐**1** Briefly describe the organization's mission:

To help individuals in need by providing food, clothing, household items, education, and a community garden.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others; the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ **700,402** including grants of \$) (Revenue \$)
 Services provided include the distribution of food and household items, youth services, adult education, language programs, outreach services, and a community garden.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses **700,402**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	X	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		X
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X
b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)		

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b	X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27	X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a	X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b	X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33	X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	X
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	X

☐ Yes ☒ No

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V ☐

		Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a 0		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b 0		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a 10		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	X	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		X
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			X
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d If "Yes," indicate the number of Forms 8282 filed during the year.	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		X
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		X
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the organization make any taxable distributions under section 4966?	9a		
b Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12.	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders.	11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a		
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b		
c Enter the amount of reserves on hand.	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI ☒

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	1a 16	
b Enter the number of voting members included in line 1a, above, who are independent	1b 16	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5	X
6 Does the organization have members or stockholders?	6	X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a The governing body?	8a X	
b Each committee with authority to act on behalf of the governing body?	8b X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?	10a	X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	
11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	X
b Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	12a X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	X
13 Does the organization have a written whistleblower policy?	13 X	
14 Does the organization have a written document retention and destruction policy?	14	X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a X	
b Other officers or key employees of the organization	15b X	
If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► **WI**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► **Tom Rau** **745 Scott Street**

Wausau

WI 54403

715-845-1966

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response to any question in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☒ Check this box if neither the organization nor any related organizations compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Sean Valiska Treasurer	0.00	X		X				0	0	0
(2) Ann Brooks Secretary	0.00	X		X				0	0	0
(3) Joan Bouldin Member	0.00	X						0	0	0
(4) Walter Chilsen Vice Pres	0.00	X						0	0	0
(5) Melinda Bartell Member	0.00	X						0	0	0
(6) Darryl Mayfield Member	0.00	X						0	0	0
(7) Calvin Dexter Member	0.00	X						0	0	0
(8) Mark Baldwin President	0.00	X		X				0	0	0
(9) Carol Lamansky Member	0.00	X						0	0	0
(10) Christy Parks Member	0.00	X						0	0	0
(11) Bethany O'Day Member	0.00	X						0	0	0
(12) Ann Herda-Rapp Member	0.00	X						0	0	0
(13) Libby Vaughn Member	0.00	X						0	0	0
(14) Tom Neal Member	0.00	X						0	0	0
(15) Liz Sheahan Co-President	0.00	X		X				0	0	0
(16) Gary Zimbric Member	0.00	X						0	0	0

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
(26)										
(27)										
(28)										
1b Sub-total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)										

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **0**

- 3** Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3		X
4		X
5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **0**

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	212,586			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	543,354			
	g Noncash contributions included in lines 1a-1f		\$ 448,848			
	h Total. Add lines 1a-1f		755,940			
Program Service Revenue	2a Government Contracts	Busn. Code	18,035	18,035		
	b Debt Reduction Income		3,989	3,989		
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		22,024			
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		690	690	
4 Income from investment of tax-exempt bond proceeds						
5 Royalties						
6a Gross Rents		(i) Real (ii) Personal				
b Less rental exps						
c Rental inc or (loss)						
d Net rental income or (loss)						
7a Gross amount from sales of assets other than inventory		(i) Securities (ii) Other				
b Less cost or other basis & sales exps						
c Gain or (loss)						
d Net gain or (loss)						
8a Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18		a				
b Less direct expenses		b				
c Net income or (loss) from fundraising events						
9a Gross income from gaming activities See Part IV, line 19		a				
b Less direct expenses		b				
c Net income or (loss) from gaming activities						
10a Gross sales of inventory, less returns and allowances		a				
b Less cost of goods sold		b				
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Busn. Code				
11a Misc Special Events		87,463	87,463			
b Sales of Salvage Textiles		8,035	8,035			
c Rent Income		7,747	7,747			
d All other revenue		1,504	1,504			
e Total. Add lines 11a-11d		104,749				
12 Total revenue. See instructions		883,403	127,463	0	0	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	133,291	125,745	5,278	2,268
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	21,432	20,360	643	429
10 Payroll taxes	12,760	12,122	383	255
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting	7,610		7,610	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	19,328	16,335	2,729	264
14 Information technology				
15 Royalties				
16 Occupancy	36,033	30,989	4,323	721
17 Travel	1,849	1,849		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	11,977	10,301	1,436	240
23 Insurance				
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a Food - In-kind	448,848	448,848		
b Direct Program Costs	25,115	25,043	72	
c Vehicle Expense	4,057	4,057		
d Miscellaneous	3,052	2,251	801	
e Direct Mail Expense	2,699			2,699
f All other expenses	2,713	2,502	79	132
25 Total functional expenses. Add lines 1 through 24f	730,764	700,402	23,354	7,008
26 Joint costs. Check here ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest bearing	146,667	1	221,022
	2 Savings and temporary cash investments	1,121	2	1,131
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net		4	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	5,000
	10a Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	10a 564,172		
	b Less: accumulated depreciation	10b 169,646	324,023	10c 394,526
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	471,811	16	621,679	
Liabilities	17 Accounts payable and accrued expenses		17	
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	15,955	23	11,967
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	2,639	25	3,856
	26 Total liabilities. Add lines 17 through 25	18,594	26	15,823
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	453,217	27	605,856
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	453,217	33	605,856
34 Total liabilities and net assets/fund balances	471,811	34	621,679	

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	883,403
2	Total expenses (must equal Part IX, column (A), line 25)	2	730,764
3	Revenue less expenses Subtract line 2 from line 1	3	152,639
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	453,217
5	Other changes in net assets or fund balances (explain in Schedule O)	5	
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	605,856

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII ☒

- 1 Accounting method used to prepare the Form 990 ☒ Cash ☐ Accrual ☐ Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- b Were the organization's financial statements audited by an independent accountant?
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O
- d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both
☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

SCHEDULE A
(Form 990 or 990-EZ)**Public Charity Status and Public Support**

OMB No 1545-0047

2010**Open to Public
Inspection**Department of the Treasury
Internal Revenue ServiceComplete if the organization is a section 501(c)(3) organization or a section
4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization

The Neighbors' Place, Inc.

Employer identification number

39-1640241**Part I Reason for Public Charity Status (All organizations must complete this part.)** See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h
- a ☐ Type I b ☐ Type II c ☐ Type III—Functionally integrated d ☐ Type III—Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

For Paperwork Reduction Act Notice, see the Instructions for
Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2010

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	190,375	220,386	237,318	523,426	755,940	1,927,445
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	190,375	220,386	237,318	523,426	755,940	1,927,445
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						1,927,445

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4	190,375	220,386	237,318	523,426	755,940	1,927,445
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	356	458	259	638	690	2,401
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	50,106	56,323	52,864	70,566	94,419	324,278
11 Total support. Add lines 7 through 10						2,254,124
12 Gross receipts from related activities, etc. (see instructions)					12	134,417

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14	85.51%
15 Public support percentage from 2009 Schedule A, Part II, line 14	15	82.46%
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ☒		
b 33 1/3% support test—2009. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ☐		
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ☐		
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ☐		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ☐		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► ☐						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐

b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).**Part II, Line 10 - Other Income Detail**

Misc Special Events	\$	229,859
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**SCHEDULE D
(Form 990)**Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010Open to Public
Inspection

Name of the organization

The Neighbors' Place, Inc.

Employer identification number

39-1640241**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		☐ Yes ☐ No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e.g., recreation or education)	☐ Preservation of an historically important land area
☐ Protection of natural habitat	☐ Preservation of a certified historic structure
☐ Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1	▶ \$
(ii) Assets included in Form 990, Part X	▶ \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1	▶ \$
b Assets included in Form 990, Part X	▶ \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- ☐ **a** Public exhibition
☐ **b** Scholarly research
☐ **c** Preservation for future generations
☐ **d** Loan or exchange programs
☐ **e** Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

- c** Beginning balance
d Additions during the year
e Distributions during the year
f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a** Board designated or quasi-endowment ☐ %
b Permanent endowment ☐ %
c Term endowment ☐ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i)** unrelated organizations
(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		52,800		52,800
b Buildings		466,004	127,589	338,415
c Leasehold improvements				
d Equipment		22,821	19,510	3,311
e Other		22,547	22,547	
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				394,526

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12.)		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 13.)		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.)	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) Fed/FICA W/H Tax Payable	2,922
(3) Wisconsin W/H Tax Payable	561
(4) SUTA Tax Payable	351
(5) United Way Pledges Payable	22
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)	3,856

2. FIN 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	883,403
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	730,764
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	152,639
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	152,639

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	890,357
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	6,954
e	Add lines 2a through 2d	2e	6,954
3	Subtract line 2e from line 1	3	883,403
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	883,403

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	737,718
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	6,954
e	Add lines 2a through 2d	2e	6,954
3	Subtract line 2e from line 1	3	730,764
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	730,764

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b, Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XI, Line 8 - Reconciliation of Changes - Other

Direct Fundraising Expenses	\$	6,954
Direct Fundraising Expenses	\$	-6,954

Part XII, Line 2d - Revenue Amounts Included in Financials - Other

Direct Fundraising Expenses	\$	6,954
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Part XIV Supplemental Information (continued)

SCHEDULE M
(Form 990)Department of the Treasury
Internal Revenue Service**Noncash Contributions**▶ **Complete if the organizations answered "Yes" on Form**
990, Part IV, lines 29 or 30.
▶ **Attach to Form 990.**

OMB No 1545-0047

2010**Open To Public**
Inspection

Name of the organization

The Neighbors' Place, Inc.

Employer identification number

39-1640241**Part I** **Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory	X	2	448,848	Govt value and formula
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ ()				
26 Other ▶ ()				
27 Other ▶ ()				
28 Other ▶ ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for
which the organization completed Form 8283, Part IV, Donee Acknowledgement**29****0**30a During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 that
it must hold for at least three years from the date of the initial contribution, and which is not required to be
used for exempt purposes for the entire holding period?

b If "Yes," describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any non-standard
contributions?32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash
contributions?

b If "Yes," describe in Part II

33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked,
describe in Part II

Yes No

30a		X
31		X
32a		X

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

SCHEDULE O
 (Form 990 or 990-EZ)

 Department of the Treasury
 Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

 Complete to provide information for responses to specific questions on
 Form 990 or 990-EZ or to provide any additional information.

► Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

 Open to Public
 Inspection

Name of the organization

The Neighbors' Place, Inc.

Employer identification number

39-1640241

Form 990, Part VI, Line 11b - Organization's Process to Review Form 990

The Form 990 is prepared by an independent Certified Public Accountant after the completion of the audit. The tax return is reviewed by the Executive Director and the Treasurer before it is filed. After is is filed, it is made available to the board of directors.

Form 990, Part VI, Line 15a - Compensation Process for Top Official

All wages are approved by the board of directors. The board of directors reviews the W-2 forms at the close of each year. The payroll and related payroll tax forms are prepared by an independent accounting firm which is not the firm that conducts the annual audit.

Form 990, Part VI, Line 15b - Compensation Process for Officers

All wages are approved by the board of directors. The W-2 forms are reviewed by the board of directors at the end of each year. The payroll and related payroll tax forms are prepared by an independent accounting firm which is not the firm that conducts the annual audit.

Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation

An independent Certified Public Accountant prepares comparative audited financial statements at the end of each year. These financial statements are made available to the local United Way and other organizations as requested. They are also made available to each member of the board of directors.

Name of the organization

The Neighbors' Place, Inc.

Employer identification number

39-1640241

Form 990, Part XII, Line 1 - Change in Accounting Method Explanation

Starting in 2010, the Organization changed its accounting policy to value donated food to more accurately report the financial activity. The Organization does not record the value as inventory on the balance sheet. Instead, the value of the food is simultaneously recorded as a expense upon receipt.

Form **4562**Department of the Treasury
Internal Revenue Service

(99)

Depreciation and Amortization
(Including Information on Listed Property)

OMB No 1545-0172

2010Attachment
Sequence No **67**

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return

The Neighbors' Place, Inc.

Identifying number

39-1640241

Business or activity to which this form relates

Indirect Depreciation**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0- If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	11,494

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	483
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ☐		

Section B—Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

Section C—Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life				S/L	
b 12-year		12 yrs		S/L	
c 40-year		40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	11,977
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2010)

DAA

There are no amounts for Page 2

Forms 990 / 990-PF	Mortgages and Other Notes Payable	2010
For calendar year 2010, or tax year beginning , and ending		

Name

Employer Identification Number

The Neighbors' Place, Inc.**39-1640241****Form 990, Part X, Line 23 - Additional Information**

Name of lender	Relationship to disqualified person
(1) City of Wausau, WI	None
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) 59,833	12/31/99	12/31/14	\$3,989 per year	
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) Real Estate	Purchase Building
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1)	15,955	11,967
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	15,955	11,967

**The Neighbors' Place, Inc.
Independent Auditor's Report
Financial Statements
Years Ending
December 31, 2010
and
December 31, 2009**

Tax Preparation/Planning
Business Consulting
Financial Statement Services
Payroll Services



3205 Terrace Ct., Ste. 201
Wausau, WI 54401
Phone 715 / 848-5404
Fax 715 / 848-5519

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Neighbors' Place, Inc.
745 Scott Street
Wausau, Wisconsin

We have audited the accompanying statements of assets, liabilities, and net assets of The Neighbors' Place, Inc. (a not-for-profit corporation) as of December 31, 2010 and 2009, and the related statements of revenues, expenses, and net assets and statements of functional expenses for the years then ended prepared on a modified cash basis. These financial statements are the responsibility of the management of The Neighbors' Place, Inc. Our responsibility is to express an opinion on these financial statements based upon our audits.

We conducted our audits 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Neighbors' Place, Inc. as of December 31, 2010 and 2009, and its revenue, expenses, and changes in net assets for the years then ended on the modified cash basis as described in Note 1.

Hack CPA SC
Certified Public Accountant
May 18, 2011

THE NEIGHBORS' PLACE, INC.
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS -
MODIFIED CASH BASIS
DECEMBER 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash	\$ 222,153	\$ 147,787
Prepaid - Other	\$ 5,000	
Property and equipment, net of depreciation	<u>394,526</u>	<u>324,024</u>
Total Assets	<u><u>\$ 621,679</u></u>	<u><u>\$ 471,811</u></u>
Liabilities		
Payroll tax and withholdings	\$ 3,856	\$ 2,639
Notes payable - current portion	3,989	3,989
Long-term notes payable	<u>7,978</u>	<u>11,966</u>
Total Liabilities	<u>15,823</u>	<u>18,594</u>
Net Assets		
Designated	100,000	100,000
Unrestricted	<u>505,856</u>	<u>353,217</u>
Total Net Assets	<u>605,856</u>	<u>453,217</u>
Total Liabilities and Net Assets	<u><u>\$ 621,679</u></u>	<u><u>\$ 471,811</u></u>

See Accompanying Notes to Financial Statements

THE NEIGHBORS' PLACE, INC.
STATEMENTS OF REVENUES, EXPENSES, AND NET ASSETS -
MODIFIED CASH BASIS
DECEMBER 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Revenues		
Businesses, individuals and organizations	\$ 238,580	\$ 211,553
Special events	57,402	53,796
Food - in-kind	127,302	96,546
Capital campaign	448,848	251,236
Rent	8,497	8,007
Interest	690	638
Other	9,038	7,736
Total revenues	<u>890,357</u>	<u>629,512</u>
Expenses		
Program services	700,396	252,743
Management and general	23,361	22,342
Fundraising	13,961	10,612
Total expenses	<u>737,718</u>	<u>285,697</u>
Change in net assets	152,639	343,815
Net assets at beginning of year	<u>453,217</u>	<u>109,402</u>
Net assets at end of year	<u><u>\$ 605,856</u></u>	<u><u>\$ 453,217</u></u>

See Accompanying Notes to Financial Statements

THE NEIGHBORS' PLACE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES -
MODIFIED CASH BASIS
YEARS ENDED DECEMBER 31, 2010 and 2009

	2010			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total All Expenses</u>
Salaries	\$ 125,745	\$ 5,278	\$ 2,268	\$ 133,291
Payroll taxes	12,122	383	255	12,760
Workers' compensation ins	1,800	57	38	1,895
Benefits	18,560	586	391	19,537
Total payroll expenses	158,227	6,304	2,952	167,483
Program supplies	473,891	73		473,964
Maintenance and supplies	4,957	2,333		7,290
Telephone and internet	3,632	115	76	3,823
Building insurance	4,214	588	98	4,900
Interest				
Occupancy	26,775	3,736	623	31,134
Office supplies	2,502	79	52	2,633
Postage	1,104	73	49	1,226
Vehicle expense	4,057			4,057
Travel and mileage	1,849			1,849
Consultant fees				
Printing and publications	6,637	210	139	6,986
Professional fees		7,610		7,610
Miscellaneous	2,251	803		3,054
Direct fundraising			9,732	9,732
Depreciation	10,300	1,437	240	11,977
Total expenses	\$ 700,396	\$ 23,361	\$ 13,961	\$ 737,718

See Accompanying Notes to Financial Statements

THE NEIGHBORS' PLACE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES -
MODIFIED CASH BASIS
YEARS ENDED DECEMBER 31, 2010 and 2009

	2009			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total All Expenses</u>
Salaries	\$ 123,734	\$ 4,615	\$ 2,184	\$ 130,533
Payroll taxes	12,345	390	259	12,994
Workers' compensation ins	1,268	40	27	1,335
Benefits	17,279	546	364	18,189
 Total payroll expenses	 154,626	 5,591	 2,834	 163,051
 Program supplies	 19,520	 130		 19,650
Maintenance and supplies	2,052	966		3,018
Telephone and internet	3,752	119	79	3,950
Building insurance	4,079	569	95	4,743
Interest	6,557	915	152	7,624
Occupancy	27,089	3,780	630	31,499
Office supplies	4,104	130	86	4,320
Postage	1,096	72	50	1,218
Vehicle expense	8,246			8,246
Travel and mileage	2,207			2,207
Consultant fees	1,600			1,600
Printing and publications	3,347	106	70	3,523
Professional fees		7,360		7,360
Miscellaneous	4,726	1,245		5,971
Direct fundraising			6,389	6,389
Depreciation	9,742	1,359	227	11,328
 Total expenses	 <u>\$ 252,743</u>	 <u>\$ 22,342</u>	 <u>\$ 10,612</u>	 <u>\$ 285,697</u>

See Accompanying Notes to Financial Statements

Note 1 - Basis of Presentation and Summary of Significant Accounting Policies

Nature of Operations and Change in Accounting Principal

The Neighbors' Place, Inc. is a locally supported organization formed in 1987 to provide help to local residents in need. Services provided to the community include the distribution of food and household items, youth services, adult education, language programs, outreach services, and the management of a community garden providing families with the opportunity to grow fruits and vegetables for their own consumption.

Prior to 2010, the Organization did not treat the value of in-kind contributions of food and household items as income and expense for financial reporting purposes. In order to more accurately report the financial activity of the Organization, The Neighbor's Place changed its accounting policy as of the start of 2010 to value donated food received and distributed. Because of the extremely wide variety and condition of donated household items, it is not practical to determine the fair market value of these items.

The majority of the food and household items are donated by individuals, businesses, churches, governmental programs, and other organizations. The value of food donated by the federal government is recorded based on the value assigned by the governmental agency. The value of food collected locally is assigned an average value based on the number of units received. Even though the food is held in storage until distributed, the value of the food received is also recorded as an expense upon receipt as the amount on hand at any particular time is immaterial to total receipts and it is impractical to keep a continuous inventory with the resources available. As a result of the simultaneous recording the expense for the value of the food upon receipt, there is no effect on net income reported in prior years as a result of the change in accounting principal. The value of the food donated to the Organization and expensed for 2010 is \$448,848. Other than the distribution of the donated food, the bulk of the operating expenses of the Organization is used to provide the staff and the facilities necessary to receive and distribute other household items as well as providing human services to those in need.

Basis of Accounting

The Organization maintains its records on the modified cash basis whereby revenue and the related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. Under the modified cash basis of accounting, property and equipment is capitalized and depreciated and unpaid payroll taxes relating to payroll that has been paid to the employees is recorded as a liability.

Note 1 - Basis of Presentation and Summary of Significant Accounting Policies (Cont)

Financial Statement Presentation

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

Unrestricted Net Assets. Net assets that are not subject to donor-imposed stipulations. Restricted contributions are reported as unrestricted if the restrictions are met in the same year as the receipt of the contribution.

Temporarily Restricted Net Assets. Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. 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.

Permanently Restricted Net Assets. Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The Organization has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

Contributions

Contributions, including unconditional promises to give, are recorded in the period the donation is actually received. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions of non-cash assets used by the Organization are recorded at their fair market value at date of receipt.

Although the value of contributed household items and services are very important for the Organization to perform its various functions, the value has not been tabulated and included in these financial statements. Food is valued at assigned value or estimated fair market value as explained earlier in this note.

Fair Value of Financial Instruments

The Organization's financial instruments including cash, the current maturity of the long-term obligation, and the long-term obligation approximate fair value due to their short maturities.

The Neighbors' Place, Inc.
Notes to Financial Statements
December 31, 2010

Note 1 - Basis of Presentation and Summary of Significant Accounting Policies (Cont.)

Property and Equipment

Property and equipment are recorded at cost if purchased and fair market value if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Income Taxes

The Neighbors' Place is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The organization is also exempt from Wisconsin income tax.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Note 2 - Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of revenues, expenses and changes in net assets - modified cash basis. Accordingly, certain costs have been allocated between the programs and supporting services benefitted.

Note 3 - Property and Equipment

Property and equipment consist of the following:	<u>2010</u>	<u>2009</u>
Land	\$ 52,800	\$ 52,800
Building	319,786	319,786
Building improvements	146,219	66,615
Equipment	22,821	19,946
Vehicle	<u>22,546</u>	<u>22,546</u>
Total	\$ 564,172	\$ 481,693
Less accumulated depreciation	<u>(169,646)</u>	<u>(157,669)</u>
Net property and equipment	<u>\$ 394,526</u>	<u>\$ 324,024</u>

The Neighbors' Place, Inc.
Notes to Financial Statements
December 31, 2010

Note 4 - long-term Notes Payable

Long-term debt consists of the following:	<u>2010</u>	<u>2009</u>
\$59,833 Community Development Block Grant Mortgage Note with the City of Wausau, WI. Interest is at 0%. The term of the note is 15 years, however, if certain conditions are met, the annual installments will be forgiven. If the property is sold, the note is payable in full immediately. The note is secured by real estate.	\$ 11,967	\$ 15,955
Less - Current maturities	(3,989)	(3,989)
Long-term portion	<u>\$ 7,978</u>	<u>\$ 11,996</u>

Maturities on long-term debt are as follows:

<u>Year Ending</u>	<u>Amount</u>
2011	3,989
2012	3,989
2013	<u>3,989</u>
Total	<u>\$ 11,967</u>

Note 5 - Insurance/Risk Management

The Neighbors' Place, Inc. maintains commercial property and liability insurance coverage to protect it against torts, physical damage and other claims. Paid claims did not exceed coverage for 2010 or 2009

Note 6 - Rent Income

The Organization rents a portion of its building to a single tenant on a yearly basis at \$968 per month plus utilities. The lease began in February of 2005 and was verbally renewed under the same terms through July 2010, at which time the lease was cancelled. Gross rent including utilities received was \$8,497 for 2010 and \$8,007 for 2009.

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Note 7 - Community Foundation Funds

The Community Foundation of North Central Wisconsin administers three separate funds to provide support for The Neighbors' Place. Contributors to the Community Foundation can designate that their contributions are allocated to one of these funds. The Community Garden Fund was established in 2004 while the other two funds were established in 2007. The fund balances as of December 31, 2010 and 2009, are as follows:

	<u>2010</u>	<u>2009</u>
The Neighbors' Place Community Garden Fund	\$ 6,740	\$ 6,393
The Neighbors' Place Fund (Endowment)	16,403	8,431
The Neighbors' Place Capital Fund	<u>269,311</u>	<u>269,370</u>
Total	<u>\$ 292,454</u>	<u>\$ 284,194</u>

A portion of the earnings from the Community Garden Fund and the Endowment Fund can be paid out to The Neighbor's Place each year while the remaining balance is held in the account to accumulate. The Neighbors' Place must make a request to the Community Foundation to receive a distribution. During 2010, The Neighbors' Place transferred \$5,000 from the general checking account to the Endowment Fund, controlled by the Community Foundation, to accumulate in value and provide for a future source of revenue. As it is the intention of The Neighbors' Place to have these funds ultimately returned, the contribution is reported as an asset on the statements of assets, liabilities, and net assets modified cash basis as prepaid - other.

The Capital Fund was established principally to payoff the mortgage, provide for needed building improvements, and to help fund the Endowment Fund. During 2009, the Community Foundation paid off the \$251,237 mortgage note balance to Integrity First Bank. The interest savings from the payoff of the mortgage is intended to be used for current operations in the future. As of December 31, 2010, the Capital Fund includes \$95,950 of pledges receivable.

The contract between The Neighbors' Place and the Community Foundation grants the Community Foundation the explicit authority to redirect the assets of any of the funds listed above. The Community Foundation does not anticipate exercising such authority. The fund balances have not been recorded as an asset. In accordance with the Organization's accounting policy, the distributions from the funds will be recorded as the payments are received.

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Note 8 - Board Designated Fund

The Neighbors' Place is seeking to make future capital improvements to its facility to enable it to more efficiently and effectively provide help to local residents in need. In 2010, the Organization's board of directors started initial planning for future remodeling of its facility. Improvements made in 2010 included the replacement of the building's boilers and the installation of walk-in freezer/cooler combination, both of which were supported by specific grants. In 2011, the board of directors intends to continue planning for future remodeling by analyzing the programs and services offered and how they can best support the future needs of the community. To support these building improvements, remaining funds from The Neighbors' Place Capital Fund at the Community Foundation of North Central Wisconsin will be utilized as needed. In addition, the Organizations board of directors has designated \$100,000 of its general operating funds to be used to support these capital improvements.