Next Door is doing the most important work in Milwaukee – ensuring that our youngest children are prepared to succeed in school – and in life! Research continues to demonstrate that the years from birth to age three are the most critical for brain development. Every second in the first few years of life, the brain is making 700-1,000 new connections. Yes, every second! The focus of Next Door is on education in the early years to build a foundation for future success.

Fiscal year 2016 was exciting for us - we opened five new infant toddler classrooms at our Capitol Drive site, enabling us to serve 40 more children in an “Educare-inspired” environment. These classrooms use the same core principles of the Educare program and feature low student to teacher ratios, highly qualified teachers who are supported with embedded professional development, the use of data to ensure children are meeting developmental benchmarks, and engagement with families. We know the Educare model works and are pleased that we were able to expand it to another site.

This year also marked the 25th anniversary of Next Door’s Books for Kids. This hallmark program has delivered over two million books over the years, to support children in building their own libraries to facilitate the development of their literacy skills. The program took a big step forward with the addition of our Mobile Library, thanks to the generosity of Harley-Davidson Motor Company. The Mobile Library made its debut at our annual Walk for Children event and has allowed us to increase our reach and better serve our partners in the community.

We had a banner year with our childcare partners. Inside this report, you will see a summary of all the hard work we did together to increase access to high quality infant and toddler care in Milwaukee. We are making an impact on our community beyond the walls of Next Door through our early childhood education programs.

We continue to work hard to engage our parents through many different activities and programs. We have a fatherhood initiative, adult basic education classes and many opportunities for parents to volunteer and learn with their children at special events.

Ensuring healthy brain growth and development through early childhood education not only benefits each individual child and family, but our society as well. A recent study* by Nobel Prize Winner, Dr. James Heckman has found that the return on investment for early childhood education is $13 for every dollar invested. Support for Next Door is an investment in Milwaukee’s future.

We’re proud of the work our staff does each and every day. The impact of our critical work throughout the Milwaukee community is broad and we hope you will consider being a part of it.

Thomas Arenberg
Board Chair
Next Door

Tracey Sparrow, Ed.D.
President
Next Door

Mission: Next Door’s mission is to support the intellectual, physical, spiritual and emotional development of children so they become self-sufficient, contributing members of the community.

We’re proud of the work we do at Next Door, particularly through our partnerships with ten area childcare centers to increase access to high quality infant and toddler care. We support our partners with teacher coaching, curriculum and assessment training, and ensuring safe environments. This past year we have supported our partners in the following ways:

- We installed brand new playgrounds at each location investing from $15,000-$50,000.
- We provided $10,000 or more in new classroom supplies for each location, as well as two laptops for each center and one iPad for every classroom.
- We provided over 1,000 training opportunities through a quarterly training conference hosted by Next Door.
- We helped over 90 teachers earn an Infant Toddler Credential through Milwaukee Area Technical College (9 teachers earned their Infant-Toddler CDA (Child Development Associate credential).
- We provided 15-20 hours of coaching support per week at each site for teaching staff with an Infant Toddler Readiness Coach.
- All partner sites received a monthly stipend for each child enrolled in the program. In addition, if any child lost their Childcare Authorization through the state of Wisconsin, Next Door provided scholarship funding.

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- Benjamin S. Cordani, Caterpillar Global Mining
- Vicky Cordani, Community Advocate
- Susan Doyle, North Shore Bank
- Robert (Bob) Duncan, Children’s Hospital and Health System
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- Bradley Jansen, CPA, PricewaterhouseCoopers
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- Barbara Rasmussen, Retired Pastor - Our Savior’s Lutheran Church
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- Zach TeWinkel, US Bank
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- Sadique Isahaku, Ph.D., Milwaukee Area Technical College
- Brad Jansen, CPA, PricewaterhouseCoopers
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- Zach TeWinkel, US Bank
- Colette Theus, Parent Representative
- Bob VanHimbergen, CPA, Johnson Controls, Inc.
Federal Review

The outcome of the Federal Monitoring Review for 2015-16 indicated that Next Door was in full compliance with the Head Start program and performance standards, regulations and policy requirements.

Independent Federal Audit

Next Door continues to demonstrate strong financial and operational controls. The agency-wide audit for fiscal year ending June 30, 2016, continued a determination of low risk audit status.

### 2015-2016 Operating Revenue

<table>
<thead>
<tr>
<th>Operating Revenues</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal &amp; State</td>
<td>21,904,640</td>
<td>84%</td>
</tr>
<tr>
<td>Private Contributions</td>
<td>2,835,341</td>
<td>11%</td>
</tr>
<tr>
<td>In-Kind Goods &amp; Services</td>
<td>1,182,735</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>253,711</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$26,176,427</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*2015-16 figures represent audited financial statements.

### 2015-2016 Operating Expense

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>12,508,525</td>
<td>48%</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>2,937,686</td>
<td>11%</td>
</tr>
<tr>
<td>Travel &amp; Training</td>
<td>826,702</td>
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</tr>
<tr>
<td>Occupancy</td>
<td>1,883,583</td>
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<tr>
<td>Supplies</td>
<td>2,289,182</td>
<td>9%</td>
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<tr>
<td>Contractual</td>
<td>2,607,712</td>
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<tr>
<td>Support Services</td>
<td>767,710</td>
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<tr>
<td>Depreciation</td>
<td>1,182,735</td>
<td>5%</td>
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<tr>
<td>In-Kind Goods &amp; Services</td>
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<td></td>
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<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$25,855,554</strong></td>
<td><strong>100%</strong></td>
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</table>

### 2016-2017 Proposed Budget

<table>
<thead>
<tr>
<th>Operating Revenues</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal &amp; State</td>
<td>20,633,016</td>
<td>86%</td>
</tr>
<tr>
<td>Private Contributions</td>
<td>2,806,500</td>
<td>12%</td>
</tr>
<tr>
<td>Other</td>
<td>523,077</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$24,101,593</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>13,653,881</td>
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<tr>
<td>Fringe Benefits</td>
<td>3,076,973</td>
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<tr>
<td>Travel &amp; Training</td>
<td>448,555</td>
<td>2%</td>
</tr>
<tr>
<td>Occupancy</td>
<td>604,500</td>
<td>2%</td>
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<tr>
<td>Supplies</td>
<td>973,775</td>
<td>4%</td>
</tr>
<tr>
<td>Contractual</td>
<td>2,676,680</td>
<td>11%</td>
</tr>
<tr>
<td>Support Services</td>
<td>(754,658)</td>
<td>7%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>912,571</td>
<td>4%</td>
</tr>
<tr>
<td>Contingency</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$24,101,593</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

2015-2016 School Readiness Report

Children Meeting Developmental Benchmarks

- Social Emotional
- Cognitive
- General Knowledge
- Language
- Literacy

Early Head Start & Head Start

- Children Served: 2,084
- Families Served: 1,937
- Average Monthly Enrollment: 100%
- Children with Medical Homes: 93%
- Children in Poverty Served: 98%
- Children using Dental Services: 74%

- 0 - 3 years old
- Preschool
In 2009, Delvyn Crawford, his wife and their two young children were in a tough spot. It was the middle of the recession and Delvyn had just lost his business. He moved his family into his in-laws’ home and took a third-shift job just to make ends meet. The family was raising their two boys, Cade and Cyrus, in Milwaukee’s central city. “At that time I was going through a lot of anxiety, frustration and worry,” Delvyn said. To clear his mind he decided to take his children down to the lakefront. It was at that moment when he had a chance encounter that changed his family’s life forever.

Delvyn said, “A lady happened to come up to me and saw my sons playing. She asked me, are they in day care or school? Because there is a school that I’m very familiar with. When it comes to the development of children – what they need in order to thrive – you should take them to Next Door.” Delvyn was a little apprehensive. He’d heard about some of the problems with central city schools but the woman at the beach was so persuasive, he decided to give it a try.

Within a short period of time, Delvyn saw major transformations in both of his children. Cade, who was a shy student, “started to be more open. He started to talk more with the teacher and socialize with the children – I just saw a dramatic change in his whole attitude,” said Delvyn. Cyrus had speech difficulties, but they faded away as the Next Door support system kicked in. “He wasn’t able to pronounce certain words, but the teachers took their time and worked with him,” Delvyn said.

Today Cyrus (second grade) and Cade (fourth grade) are doing exceptionally well. “They are off the charts right now. I mean Cyrus is in second grade, but he’s reading at a third grade level. And I will tell you one area Cade is strong in – Math,” Delvyn said.

And Delvyn’s life has changed too. As he became more involved in his children’s education he also participated in Next Door’s Fatherhood program and took a leadership role on the Parent Policy Council. What came next was unexpected but well deserved. Delvyn was offered a full-time job at Next Door as the Fatherhood Specialist.

The Crawford family has come a long way since their chance encounter along Milwaukee’s lakefront. We know they have a very bright future ahead of them!

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Developing Child benefits to society far in excess of adult years, as well generate vulnerable children well into the wide range of outcomes for

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Partnership Bank
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Pepco
PaperPower
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Susan and Thomas Quadrelli
Tom and Susan Quade
Quade Family Charitable Foundation
Craig W. Kirby
Maria Rice and Dylan Desing
Sharon Renz
Ritz Hotel
Gael and W. David Rommier
Rommie Charitable Fund
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Joan and John Vaniers
Mary and Donald Rivers
Sara and Brian Schwartz
Catherine Snow and Robert Storm
Sensenbrenner
Nancy and Brent Sparrow
Studio Gear, LLC
Anne and Mark Train

It is possible to improve a wide range of outcomes for vulnerable children well into the adult years, as well as generate benefits to society far in excess of program costs.

Harvard Center on the Developing Child

Donor Honor Roll
Madepossible by LTO (June 30, 2006)
Every effort has been made to ensure the accuracy of these lists. If you note an error, please accept our sincere apologies and inform the Development Office (414) 562-2929 ext. 257.

We thank the many generous donors who have included Next Door in their estate plan. Legacy gifts help ensure that Milwaukee children have the opportunity for future success.

We wish the many generous donors who have included Next Door in their estate plan. Legacy gifts help ensure that Milwaukee children have the opportunity for future success. Children raised in disadvantaged environments are not only much less likely to succeed in school or in society, but they are also much less likely to be healthy adults.

Some kids win the lottery at birth; far too many don’t – and most people have a hard time catching up over the rest of their lives. Children raised in disadvantaged environments are not only much less likely to succeed in school or in society, but they are also much less likely to be healthy adults.

**Planned Giving Society**

We thank the many generous donors who have included Next Door in their estate plan. Legacy gifts help ensure that Milwaukee children have the opportunity for future success.

**Anonymous**
Anon, James

**Foundations**

**Families**

**Individuals**

**Other**

**Corporations**

**Governments**

**Theft. If you note an error, please accept our sincere apologies and inform the Development Office (414) 562-2929 ext. 257.**