

**NEIGHBORIMPACT**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**For the Year Ended June 30, 2011  
(With Comparative Totals for the Year Ended June 30, 2010)**

***Jones & Roth***

**CPAs & Business Advisors**

NEIGHBORIMPACT  
CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION  
For the Year Ended June 30, 2011  
(With Comparative Totals for the Year Ended June 30, 2010)

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
NeighborImpact  
Redmond, Oregon

We have audited the accompanying consolidated statement of financial position of NeighborImpact (a nonprofit organization) as of June 30, 2011, and the related consolidated statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's June 30, 2010, financial statements and, in our report dated November 15, 2010, we expressed an unqualified opinion on those financial statements.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NeighborImpact as of June 30, 2011, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2011 on our consideration of NeighborImpact's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the consolidated financial statements. The accompanying consolidating schedule of financial position and consolidating schedule of revenue and expenses are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Jones & Roth, P.C.*

Jones & Roth, P.C.

Bend, Oregon

November 30, 2011

(except for Note 15, as to which the date is June 4, 2012)

## CONSOLIDATED FINANCIAL STATEMENTS

NEIGHBORIMPACT  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
June 30, 2011  
(With Comparative Totals for June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,768,731	\$ 1,293,663
Short-term investments	1,249,086	1,438,336
Accounts receivable	9,005	-
Grants receivable	1,081,629	807,275
Prepaid expenses and other current assets	4,567	4,457
Food inventory	<u>119,479</u>	<u>92,198</u>
Total current assets	<u>4,232,497</u>	<u>3,635,929</u>
<b>Other assets</b>		
Long-term investments	408,404	630,399
Restricted notes receivable	414,871	259,915
Other notes receivable, net of deferred portion	<u>936,606</u>	<u>1,234,549</u>
Total other assets	<u>1,759,881</u>	<u>2,124,863</u>
<b>Property and equipment, net of accumulated depreciation</b>	<u>4,748,687</u>	<u>1,299,980</u>
<b>Intangible assets, net of accumulated amortization</b>	<u>30,233</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 10,771,298</u>	<u>\$ 7,060,772</u>

	<u>2011</u>	<u>2010</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 219,640	\$ 180,221
Accrued expenses	253,700	227,759
Deferred grant revenue	359,495	87,090
Escrow liability	200,178	3,427
Security deposits	34,308	-
Current portion of long-term debt	<u>39,809</u>	<u>2,609</u>
Total current liabilities	1,107,130	501,106
<b>Long-term debt, net of current portion</b>	<u>1,508,792</u>	<u>49,945</u>
Total liabilities	<u>2,615,922</u>	<u>551,051</u>
<b>Net assets</b>		
Unrestricted	4,257,331	3,318,684
Temporarily restricted	3,171,708	2,644,912
Permanently restricted	<u>726,337</u>	<u>546,125</u>
Total net assets	<u>8,155,376</u>	<u>6,509,721</u>
<b>Total liabilities and net assets</b>	<u>\$ 10,771,298</u>	<u>\$ 7,060,772</u>

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

NEIGHBORIMPACT  
CONSOLIDATED STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2011  
(With Comparative Totals for the Year Ended June 30, 2010)

	Unrestricted Funds	Temporarily Restricted Funds	Permanently Restricted Funds
<b>Support and revenue</b>			
Federal grants	\$ -	\$ 7,490,470	\$ 195,494
State and local grants	-	5,152,702	-
Contributions	380,581	2,486,202	-
Program revenue	-	279,237	-
Rental income	18,346	-	-
Other revenue	21,876	29,536	-
Interest income	6,392	30,253	-
Net assets released from program restrictions	<u>14,956,886</u>	<u>(14,941,604)</u>	<u>(15,282)</u>
 Total support and revenue	 <u>15,384,081</u>	 <u>526,796</u>	 <u>180,212</u>
<b>Expenses</b>			
Program services:			
Health and welfare	13,397,501	-	-
Support services:			
Management and general	917,577	-	-
Community relations	58,345	-	-
Fundraising	<u>72,011</u>	<u>-</u>	<u>-</u>
 Total expenses	 <u>14,445,434</u>	 <u>-</u>	 <u>-</u>
 <b>Change in net assets</b>	 938,647	 526,796	 180,212
 Net assets, beginning of year	 <u>3,318,684</u>	 <u>2,644,912</u>	 <u>546,125</u>
 Net assets, end of year	 <u>\$ 4,257,331</u>	 <u>\$ 3,171,708</u>	 <u>\$ 726,337</u>



Totals	
2011	2010
\$ 7,685,964	\$ 7,835,231
5,152,702	4,438,504
2,866,783	2,769,040
279,237	251,001
18,346	-
51,412	177,947
36,645	29,141
-	-
<u>16,091,089</u>	<u>15,500,864</u>
13,397,501	14,090,990
917,577	880,447
58,345	23,891
<u>72,011</u>	<u>98,985</u>
<u>14,445,434</u>	<u>15,094,313</u>
1,645,655	406,551
<u>6,509,721</u>	<u>6,103,170</u>
<u>\$ 8,155,376</u>	<u>\$ 6,509,721</u>

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

NEIGHBORIMPACT  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2011  
(With Comparative Totals for the Year Ended June 30, 2010)

	Support Services			Program Services
	Management and General	Community Relations	Fundraising	Health and Welfare
Salaries and wages	\$ 541,792	\$ 12,168	\$ 39,492	\$ 3,263,653
Payroll taxes and benefits	172,925	2,893	10,067	1,499,778
Printing	2,908	-	3,468	18,217
Office expenses	64,091	42,956	3,019	99,295
Interest	2,194	-	-	2,517
Insurance	20,225	-	-	36,986
Professional fees	21,264	-	-	13,924
Contract services	9,335	-	13,286	125,032
Repairs and maintenance	9,778	-	-	44,648
Client assistance	-	-	-	7,851,833
Transportation and lodging	2,417	-	672	106,537
Rent	-	-	784	101,041
Janitorial	5,940	-	-	8,412
Utilities and telephone	31,662	328	180	75,196
Training	3,373	-	918	36,651
Dues and fees	4,006	-	125	12,766
Other	1,561	-	-	15,282
Total expenses before depreciation	893,471	58,345	72,011	13,311,768
Depreciation	24,106	-	-	85,733
Total expenses	<u>\$ 917,577</u>	<u>\$ 58,345</u>	<u>\$ 72,011</u>	<u>\$ 13,397,501</u>

Totals	
2011	2010
\$ 3,857,105	\$ 3,945,967
1,685,663	1,768,900
24,593	26,285
209,361	315,443
4,711	2,402
57,211	60,560
35,188	30,266
147,653	259,960
54,426	54,495
7,851,833	8,128,886
109,626	115,259
101,825	82,210
14,352	15,809
107,366	101,966
40,942	65,250
16,897	20,997
16,843	2,083
14,335,595	14,996,738
109,839	97,575
<u>\$ 14,445,434</u>	<u>\$ 15,094,313</u>

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

NEIGHBORIMPACT  
CONSOLIDATED STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2011  
(With Comparative Totals for the Year Ended June 30, 2010)

	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 1,645,655	\$ 406,551
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated land and building	(957,286)	-
Depreciation expense	109,839	97,575
Increase in food inventory	(27,281)	(44,864)
(Increase) decrease in:		
Accounts receivable	(9,005)	-
Grants receivable	(274,354)	347,799
Prepaid expenses	(110)	(619)
Increase (decrease) in:		
Accounts payable	39,419	(46,454)
Accrued expenses	25,941	(8,983)
Deferred grant revenue	272,405	(89,991)
Escrow liability	196,751	(28,780)
Security deposits	<u>34,308</u>	<u>-</u>
Net cash provided by operating activities	<u>1,056,282</u>	<u>632,234</u>
<b>Cash flows from investing activities</b>		
Net purchases of investments	(110,750)	(16,780)
Collections of notes receivable	4,555	32,964
Issuance of notes receivable	(362,961)	(30,000)
Purchase of property and equipment	<u>(109,540)</u>	<u>(211,457)</u>
Net cash used by investing activities	<u>(578,696)</u>	<u>(225,273)</u>
<b>Cash flows from financing activities</b>		
Principal payments on notes payable	<u>(2,518)</u>	<u>(2,412)</u>
<b>Net increase in cash and cash equivalents</b>	475,068	404,549
Cash and cash equivalents, beginning of year	<u>1,293,663</u>	<u>889,114</u>
Cash and cash equivalents, end of year	<u>\$ 1,768,731</u>	<u>\$ 1,293,663</u>

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

NEIGHBORIMPACT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies**

**Organization**

From 1985 to date, NeighborImpact has been recognized by the Oregon Housing and Community Services Department (OHCS) as a community action agency to serve Crook, Deschutes, and Jefferson Counties. It is organized as a 501(c)(3) charitable corporation. A 15-member volunteer Board is responsible for setting policy and direction for NeighborImpact. Its service area encompasses all of Crook, Deschutes, and Jefferson Counties in a region known as Central Oregon. NeighborImpact maintains over 17 offices and classroom sites in the communities of La Pine, Bend, Redmond, Sisters, Prineville, and Madras.

NeighborImpact is dedicated to empowering individuals and families to succeed and become engaged citizens in the community. NeighborImpact's mission is delivered through the services provided by its three largest department areas: Emergency Services and Food, Early Care and Education, and Housing Center. NeighborImpact takes a team approach in providing comprehensive services that build on the strengths of the customer in order to increase assets in the following areas:

- Personal (job skills and education/school readiness)
- Financial (earnings, income, savings)
- Social (formal and informal support networks)
- Family (family functioning and stability)

NeighborImpact believes that assets help people through times of need and to realize their hopes and dreams for the future. NeighborImpact's strategy in building assets is accomplished through communication, collaboration, and coordination of services across program areas and in partnership with customers and community.

NeighborImpact provides the following services to assist low and moderate income residents of Central Oregon:

**Emergency Services and Food Programs**

- **Emergency Services** - provides emergency rental assistance, energy shut-off prevention as well as information and referral to individuals and families.
- **Energy Services** - helps eligible families and individuals pay a portion of their heating costs during the winter months, participate in energy education, and/or receive energy case management.
- **Family Shelter** - provides short-term shelter to homeless families with children. The program is located in Bend and can provide housing for up to five families at a time for up to three months.
- **Food Bank** - collects and distributes food to network of 40 local agencies in Crook, Deschutes, and Jefferson Counties. These groups are independent non-profits and/or churches that include Emergency Food Box Sites, Congregate Meal Sites, Brown Bag Programs, Shelters, Child Care Providers, and senior programs.
- **Rent Services** - provides rent assistance, information, and referral and case management to eligible individuals and families through a variety of rent programs. Services are based on need, eligibility, and available funding.
- **Transitional Housing** - helps homeless families with their immediate housing crisis and longer term self-sufficiency through rental subsidies, case management support, and training assistance.

NEIGHBORIMPACT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies, continued**

**Organization, continued**

**Early Care and Education Programs**

- **Child Care Resources** - serves parents, providers, and employers with information and referral services.
- **Head Start Program** - promoting school readiness and self-sufficiency through early childhood education, parent involvement, family support, health services, social services, and nutritious meals for primarily low-income families, children with disabilities, or other special needs.

**Housing Center Programs**

- **Home Ownership** - offers a variety of programs including foreclosure prevention classes and counseling, first time homeownership classes and counseling, down payment assistance loans, reverse mortgage counseling, financial literacy classes and counseling, home owner rehabilitation loans, and a matched saving program (IDA).
- **Home Rehabilitation** - provides low interest home repair loans to clients that are below 80 percent of the area median.
- **Weatherization** - Weatherization is a year-round program that makes improvements to homes to reduce energy loss for clients at or below 60 percent of the state area median income. Some improvements may include insulation, heating systems, and air sealing. There is a home evaluation process to determine what items will be considered. A client may rent or own their home.

**Consolidation Policy**

The accompanying consolidated financial statements include the accounts of NeighborImpact, Community Action Foundation of Central Oregon (CAFCO), and Healy Heights Partner, LLC (HHP) (collectively referred to hereafter as the Organization). The accounts of HHP are only included as of, and for the year ended, June 30, 2011.

NeighborImpact has control over appointments to the Board of CAFCO, so consolidation is required under generally accepted accounting principles. Once appointed, NeighborImpact does not have the ability to remove Board members of CAFCO and does not control the activity of CAFCO. Inter-organization transactions and balances have been eliminated in consolidation.

Effective June 15, 2011, NeighborImpact, through its wholly owned subsidiary HHP, became the 99 percent owner and limited partner of Deschutes Family Housing Limited Partnership (DFHLP). CAFCO is the 1 percent owner and general partner of DFHLP. As a result, consolidation is required under generally accepted accounting principles. Inter-organization transactions and balances have been eliminated in consolidation. DFHLP is an Oregon limited partnership formed November 15, 1993, to construct, own, and operate a 70-unit affordable housing project, in conformity with the provisions of Section 42 of the Internal Revenue Code (IRC). The partnership will terminate not later than December 31, 2034.

**Basis of Accounting**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**NEIGHBORIMPACT**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies, continued**

**Income Taxes**

NeighborImpact and CAFCO are not-for-profit corporations which have been granted tax-exempt status under Internal Revenue Code (IRC) Section 501(c)(3). In addition, they have been determined by the Internal Revenue Service (IRS) not to be private foundations within the meaning of Section 509(a) of the code. DFHLP is not a taxpaying entity for federal or state tax purposes as the partners report partnership income on their respective tax returns. Accordingly, these consolidated statements do not reflect a provision for income taxes.

**Support and Revenue**

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with grantor or donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. Contributions of donated noncash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, and would typically need to be purchased if not provided by the donation, are recorded at their fair value in the period received.

**Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash equivalents are stated at cost which approximates market value. For purposes of the consolidated statement of cash flows, the Organization considers all cash investments with maturities of three months or less to be cash equivalents.

**Grants Receivable**

Management believes that grants receivable will be fully collectible. Therefore, no allowance was recorded.

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.

NEIGHBORIMPACT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies, continued**

**Inventory**

Inventory consists primarily of food and food supplies used in the Organization's client service programs and is stated at the lower of cost, determined by the first-in, first-out method, or market. Amounts held at year end are considered to be temporarily restricted in accordance with grantor requirements.

**Compensated Absences**

Compensated absences are recorded as a liability and an expense when earned rather than when paid. When vacation is taken, amounts disbursed for vacation pay are charged against the liability. Compensated absences are valued at current pay rates.

**Allocation of Supporting Service Expenditures**

The Organization allocates indirect expenses of administrative overhead and other allocable costs to supporting service departments based on various direct costs and other information. The Organization's management reviews and updates these allocations on an annual basis.

**Property and Equipment**

Property and equipment acquired by the Organization are considered to be owned by the Organization. However, federal and state funding sources may maintain an interest in the property purchased with grant funding as well as the right to determine the use of any proceeds from the sale of such assets. Paving and landscaping and furnishings and equipment owned by DFHLP are depreciated using the declining balance method over estimated useful lives of the assets. All other fixed assets are depreciated using the straight-line method over estimated useful lives of the assets. The Organization capitalizes all property and equipment with a purchase price of greater than \$5,000 and a useful life of greater than one year.

**Prior Year Summarized Information**

The consolidated financial statements and notes to consolidated financial statements contain certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2010, from which the summarized information was derived.

**Net Assets**

Net assets of the Organization consist of the following:

*Unrestricted* – These net assets are available for the general obligations of the Organization.

*Temporarily restricted net assets* – These net assets are restricted by grantors or donors for specific program purposes.

*Permanently restricted net assets* – These net assets are restricted indefinitely by grantors or donors. Income earned on permanently restricted funds is, if not specifically required to be added to permanently restricted net assets, transferred to temporarily restricted or unrestricted classification.



NEIGHBORIMPACT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**2. Cash and Cash Equivalents**

At June 30, cash and cash equivalents consisted of the following:

	<u>2011</u>	<u>2010</u>
Checking and savings accounts	\$ 1,768,731	\$ 1,293,663

**3. Investments**

Investments consist of certificates of deposits and treasury bills with original maturity dates greater than 90 days, stated at fair value, in the amount of \$1,549,086 and \$1,438,336 as of June 30, 2011 and 2010, respectively. Principal amounts range from \$25,000 to \$200,000 with maturity dates that range from July 2011 through December 2012. Interest earned on these investments for the years ended June 30, 2011 and 2010, was \$8,650 and \$7,539, respectively.

**4. Notes Receivable**

At June 30, notes receivable consisted of the following:

	<u>2011</u>	<u>2010</u>
Deschutes Family Housing Limited Partnership, principal due subject to certain restrictions (see Note 8), interest at 5.00%, secured by real estate, due August 2019.	\$ -	\$ 391,393
Deschutes Family Housing Limited Partnership, principal due subject to certain restrictions (see Note 8), interest at 5.01%, secured by real estate, due November 2031.	-	110,000
Housing Assistance Loans, principal due subject to certain restrictions, various interest rates, secured by real estate, various maturities.	3,070,682	2,913,752
Neighborhood Reinvestment Corporation Loans, various interest rates, secured by real estate.	414,871	259,915
Madras Family Housing Limited Partnership, bearing no interest, due on demand, unsecured.	9,800	5,000
Madras Family Housing Limited Partnership, principal due subject to certain restrictions (see Note 8), interest at 3.66%, secured by real estate, due September 2030.	195,494	-
Madras Family Housing Limited Partnership, principal due subject to certain restrictions (see Note 8), interest at 3.00%, secured by real estate, due August 2028.	<u>444,167</u>	<u>444,167</u>
	4,135,014	4,124,227
Deferred portion	<u>(2,783,537)</u>	<u>(2,629,763)</u>
Notes receivable, net deferred portion	<u>\$ 1,351,477</u>	<u>\$ 1,494,464</u>

NEIGHBORIMPACT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**4. Notes Receivable, continued**

The Organization considers all notes receivable to be long-term since collection is contingent on future events and repayments in the near term cannot be reasonably estimated. Management estimates the net value of certain long-term notes receivable based on historical experience. The policy of the Organization is to include 100 percent of the face value of new housing assistance loans in the deferred portion above as payments are not received until the property is sold or otherwise transferred.

**5. Property and Equipment**

As of June 30, the following is a summary of property and equipment:

	<u>2011</u>	<u>2010</u>
Land	\$ 1,014,325	\$ 210,836
Buildings	6,248,849	1,226,869
Furniture and equipment	428,902	331,762
Roads and landscaping	215,793	-
Vehicles	<u>619,652</u>	<u>619,652</u>
	8,527,521	2,389,119
Accumulated depreciation	<u>(3,778,834)</u>	<u>(1,089,139)</u>
Property and equipment, net of accumulated depreciation	<u>\$ 4,748,687</u>	<u>\$ 1,299,980</u>

**6. Long-term Debt**

At June 30, long-term debt consisted of the following:

	<u>2011</u>	<u>2010</u>
Payable to Home Federal Bank from NeighborImpact, monthly payments of \$550 including interest at the Federal Home Loan Bank 3-year rate plus 2.75%, which was 6.75% as of June 30, 2011 and 2010. Secured by real estate, due 2023.	\$ 50,036	\$ 52,554
Payable to Chase from DFHLP, monthly payments of \$7,417 including interest at 3.51%. Secured by real estate, due 2022.	<u>1,498,565</u>	<u>-</u>
	1,548,601	52,554
Current portion	<u>(39,809)</u>	<u>(2,609)</u>
Long-term debt, net of current portion	<u>\$ 1,508,792</u>	<u>\$ 49,945</u>

NEIGHBORIMPACT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**6. Long-term Debt, continued**

Maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	
2012	\$ 39,809
2013	41,324
2014	42,899
2015	44,537
2016	46,240
Thereafter	<u>1,333,792</u>
Total	<u>\$ 1,548,601</u>

**7. Concentrations of Credit Risk**

Financial instruments that potentially subject the Organization to a concentration of credit risk consist principally of cash and cash equivalents and notes receivable. The Organization maintains the majority of its cash balances at Federal Deposit Insurance Corporation (FDIC) insured institutions and invests in U.S. Government securities. At June 30, 2011 and 2010, \$-0- and \$913,678 in deposits exceeded FDIC insurance of \$250,000, respectively. The Organization actively monitors this risk and has entered into an overnight repurchase agreement with their financial institution. The overnight repurchase obligations of the financial institution are secured by collateral that includes government securities.

The Organization provides down payment and housing rehabilitation loans primarily to low and moderate income individuals. Notes receivable totaling \$4,134,442 are secured by property purchased or improved. These notes are a concentration of credit risk. Additionally, the Organization receives approximately 97 percent of its funding from grants, contracts and contributions. Management does not anticipate a reduction in funding.

**8. Related Party Transactions**

NeighborImpact leases its Redmond administrative facilities from CAFCO. CAFCO is a supporting non-profit corporation formed exclusively to support the charitable purposes of NeighborImpact. Located in Redmond, Oregon, it is the general partner of the DFHLP, an Oregon limited partnership formed to own and operate the Bill Healy Family Center (Healy Heights Apartments) and the Madras Family Housing Limited Partnership, an Oregon limited partnership formed to own and operate the Madras Family Housing Center. NeighborImpact provides significant accounting and operations support to these partnerships. Notes receivable in the amount of \$649,461 are due from the Madras Family Housing Limited Partnership in connection with the construction and improvements of Madras Town Homes (see Note 4). Since collection of these notes receivable is contingent upon future available capital of the projects and other restrictions, the notes will be deferred until collection.

NeighborImpact is the single member of HHP which is the 99 percent owner and limited partner of DFHLP. As a result of the consolidation of DFHLP (see Note 1), inter-organization notes receivable from DFHLP to NeighborImpact have been eliminated in the consolidated financial statements as of June 30, 2011 (see Note 4).

NEIGHBORIMPACT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**9. Permanently Restricted Funds**

NeighborWorks America provided a \$195,494 capital grant during the year ended June 30, 2011, and \$885,000 from prior years totaling \$1,080,494 of funds for making loans and for capital projects. This amount is permanently restricted although proceeds on capital projects, or interest earned, over the corpus may be transferred to unrestricted net assets for furthering the Organization's mission. For the years ended June 30, 2011 and 2010 NeighborWorks allowed NeighborImpact to release funds totaling \$15,282 and \$165,375, respectively, from restrictions. Should the Organization become defunct, all remaining grant funds, interest earnings, capital project proceeds, and loan and capital project portfolios representing the use of these funds will revert to NeighborWorks America. The Organization invested the capital grant in U.S. Treasury bills in order to comply with grantor requirements. As of June 30, 2011 and 2010, the Organization held 22 and 14 loans totaling \$414,871 and \$259,915, respectively, in connection with this program. There were no loans as of June 30, 2011 or 2010 that were considered to be delinquent.

**10. Operating Lease Commitments**

During the year ended June 30, 2011, the Organization entered into space lease agreements in Bend and Redmond. The leases expire in periods ranging from 3 to 14 months.

As of June 30, 2011, the Organization's aggregate annual lease commitments excluding operating costs under non-cancelable leases with terms of one year or more are payable as follows:

<u>Year Ending June 30,</u>	
2012	\$ 23,103
2013	<u>2,864</u>
Total	<u>\$ 25,967</u>

**11. Retirement Plan**

The Organization maintains a Simplified Employee Pension (SEP) plan for eligible employees. During the years ended June 30, 2011 and 2010, employer pension expense totaled \$153,250 and \$159,853, respectively.

**12. Contingency**

The Organization receives grants from various federal, state, and local agencies that are subject to review and audit by these agencies. Such audits could result in a request for reimbursement by these agencies for expenditures disallowed under the terms and conditions of the appropriate Organization. In the opinion of the Organization's management, such disallowances are not anticipated and, if any, would not be significant.

NEIGHBORIMPACT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 13. Fair Value Measurement

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.

Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs should be developed based on the best information available in the circumstances and may include the Organization's own data.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2011:

	<u>Assets at Fair Value as of June 30, 2011</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in certificates of deposit	\$ 1,349,086	\$ -	\$ -	\$ 1,349,086
Investment in United States Treasury Bill	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Total	<u>\$ 1,549,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,549,086</u>
	<u>Assets at Fair Value as of June 30, 2010</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Short-term investments	<u>\$ 1,438,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,438,336</u>

### 14. Subsequent Events

Management evaluates events and transactions that occur after the consolidated statement of financial position date as potential subsequent events. Management has performed this evaluation through November 30, 2011.

NEIGHBORIMPACT  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**15. Subsequent Discovery of Facts**

The consolidated financial statements and supplemental information are being reissued to reflect changes made to the schedule of expenditures of federal awards. The changes have no impact on the opinions expressed in the auditor's reports.

**SINGLE AUDIT SECTION**

NEIGHBORIMPACT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Expenditures
<b>U.S. Department of Energy</b>		
Passed through The Oregon Housing and Community Services:		
DOE WX	81.042	\$ 134,908
ARRA DOE WX	ARRA 81.042	728,229
DOE FP OR EE ARP	81.127	29,959
BPA Weatherization	81.XXX	<u>113,188</u>
Total U.S. Department of Energy		<u>1,006,284</u>
<b>U.S. Department of Treasury</b>		
Passed through Neighborworks America:		
Neighborhood Reinvestment Program - expendable	21.000	99,476
Passed through Oregon Housing and Community Services:		
National Foreclosure Mitigation Counseling	21.000	<u>66,134</u>
Total U.S. Department of Treasury		<u>165,610</u>
<b>U.S. Department of Health and Human Services</b>		
Head Start	93.600	1,308,443
ARRA Head Start	ARRA 93.708	28,970
Passed through Oregon Housing and Community Services:		
Housing Stabilization Program (TANF)	93.558	23,496
Low-income Energy Assistance (LIEAP)	93.568	2,297,002
Community Service Block Grant	93.569	154,409
ARRA Community Services Block Grant	ARRA 93.710	71,531
Passed through Western Oregon University:		
Partnership for Inclusive Child Care in Education	93.575	3,000
Passed through Child Care Resources and Referral Network:		
Child Care Development Block Grant	93.575	<u>196,232</u>
Total U.S. Department of Health and Human Services		<u>4,083,083</u>
<b>U.S. Department of Agriculture</b>		
Passed through the Oregon Department of Education:		
Child and Adult Care Food Program	10.558	176,684
Passed through the Oregon Food Bank:		
Temporary Emergency Food Assistance Program Administrative Costs	10.568	26,023
Temporary Emergency Food Assistance Program Food Commodities	10.569	<u>431,777</u>
Total U.S. Department of Agriculture		<u>634,484</u>



<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<b>U.S. Department of Homeland Security</b>		
Passed through the Deschutes United Way:		
Emergency Food and Shelter Program	97.024	<u>25,650</u>
<b>U.S. Department of Housing and Urban Development</b>		
Supportive Housing Program	14.235	302,876
Housing Counseling	14.169	54,563
Passed through NeighborWorks America:		
Home Equity Conversion Mortgage	14.169	11,071
Passed through The Oregon Housing and Community Services:		
Emergency Shelter Grant Program	14.231	93,152
Home TBA	14.239	190,068
ARRA Homeless Prevention Program	ARRA 14.257	443,977
Passed through City of Madras Regional Housing Center		
Community Development Block Grant	14.228	19,343
Passed through the City of Madras:		
Community Development Block Grant	14.228	196,071
Passed through the City of Bend:		
Community Development Block Grant	14.228	<u>29,888</u>
Total U.S. Department of Housing and Urban Development		<u>1,341,009</u>
Total federal expenditures		<u>\$ 7,256,120</u>

Note: The above schedule was prepared under the accrual basis of accounting.  
The value of federal loan funds was \$3,070,682 as of June 30, 2011.

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
NeighborImpact  
Redmond, Oregon

We have audited the consolidated financial statements of NeighborImpact (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated November 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered NeighborImpact's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of NeighborImpact's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of NeighborImpact's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of NeighborImpact's consolidated financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above.

### The Right People Beside You.

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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether NeighborImpact's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, and others within the Organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Jones + Roth, P.C.*

Jones & Roth, P.C.  
Bend, Oregon  
November 30, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

To the Board of Directors  
NeighborImpact  
Redmond, Oregon

### Compliance

We have audited NeighborImpact's (a nonprofit organization) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. NeighborImpact's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements referred to above is the responsibility of NeighborImpact's management. Our responsibility is to express an opinion on NeighborImpact's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about NeighborImpact's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of NeighborImpact's compliance with those requirements.

In our opinion, NeighborImpact complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended June 30, 2011.

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## Internal Control Over Compliance

The management of NeighborImpact is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered NeighborImpact's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of NeighborImpact's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, and others within the Organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Jones & Roth, P.C.*

Jones & Roth, P.C.  
Bend, Oregon  
November 30, 2011

NEIGHBORIMPACT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011

**Summary of Auditor's Results**

The auditor's report expresses an unqualified opinion on the consolidated financial statements of the Organization for the year ended June 30, 2011.

No material weaknesses or significant deficiencies in internal control were disclosed during the audit of the consolidated financial statements of the Organization for the year ended June 30, 2011.

No instances of noncompliance material to the consolidated financial statements of the Organization, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

No material weaknesses or significant deficiencies were disclosed during the audit of the internal control over major federal award programs.

The auditor's report on compliance for the major federal award programs for the Organization expresses an unqualified opinion on all major federal programs.

There are no audit findings relative to the major federal award programs of the Organization that should be reported in this schedule.

The programs tested as major programs include:

Head Start Cluster:	
Head Start	93.600
ARRA Head Start	93.708
Low Income Energy Assistance Program	93.568
Weatherization	81.042
Supportive Housing Program	14.235
Homeless Prevention Program	14.257
Emergency Food Assistance Program Cluster:	
Emergency Food Assistance Program Administrative Costs	10.568
ARRA Emergency Food Assistance Program	10.568
Emergency Food Assistance Program Food Commodities	10.569

The threshold for distinguishing between Type A and B programs was \$300,000.

The Organization qualified as a low-risk auditee.

**Findings – Consolidated Financial Statement Audit**

None.

NEIGHBORIMPACT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued  
For the Year Ended June 30, 2011

**Findings and Questioned Costs – Major Federal Award Programs Audit**

None.

**Prior Year Findings and Questioned Costs – Major Federal Award Programs Audit**

None.

## SUPPLEMENTAL INFORMATION



NEIGHBORIMPACT  
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
For the Year Ended June 30, 2011  
(With Comparative Totals for the Year Ended June 30, 2010)

	2011			
	NeighborImpact	Community Action Foundation of Central Oregon	Healy Heights Partner, LLC	Total
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 1,286,689	\$ 214,102	\$ 267,940	\$ 1,768,731
Short-term investments	1,249,086	-	-	1,249,086
Accounts receivable	-	9,005	-	9,005
Grants receivable	1,081,629	-	-	1,081,629
Prepaid expenses and other current assets	4,567	-	-	4,567
Food inventory	119,479	-	-	119,479
Total current assets	<u>3,741,450</u>	<u>223,107</u>	<u>267,940</u>	<u>4,232,497</u>
<b>Other assets</b>				
Long-term investments	300,000	108,404	-	408,404
Restricted notes receivable	414,871	-	-	414,871
Other notes receivable, net of deferred portion	926,806	9,800	-	936,606
Total other assets	<u>1,641,677</u>	<u>118,204</u>	<u>-</u>	<u>1,759,881</u>
<b>Property and equipment, net of accumulated depreciation</b>	<u>1,934,245</u>	<u>273,379</u>	<u>2,541,063</u>	<u>4,748,687</u>
<b>Intangible assets, net of accumulated amortization</b>	<u>-</u>	<u>-</u>	<u>30,233</u>	<u>30,233</u>
<b>Total assets</b>	<u><u>\$ 7,317,372</u></u>	<u><u>\$ 614,690</u></u>	<u><u>\$ 2,839,236</u></u>	<u><u>\$ 10,771,298</u></u>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 207,730	\$ 4,502	\$ 7,408	\$ 219,640
Accrued expenses	253,700	-	-	253,700
Deferred grant revenue	359,495	-	-	359,495
Escrow liability	200,178	-	-	200,178
Security deposits	-	-	34,308	34,308
Current portion of long-term debt	2,791	-	37,018	39,809
Total current liabilities	<u>1,023,894</u>	<u>4,502</u>	<u>78,734</u>	<u>1,107,130</u>
<b>Long-term debt, net of current portion</b>	<u>47,245</u>	<u>-</u>	<u>1,461,547</u>	<u>1,508,792</u>
Total liabilities	<u>1,071,139</u>	<u>4,502</u>	<u>1,540,281</u>	<u>2,615,922</u>
<b>Net assets</b>				
Unrestricted	2,439,471	518,905	1,298,955	4,257,331
Temporarily restricted	3,080,425	91,283	-	3,171,708
Permanently restricted	726,337	-	-	726,337
Total net assets	<u>6,246,233</u>	<u>610,188</u>	<u>1,298,955</u>	<u>8,155,376</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 7,317,372</u></u>	<u><u>\$ 614,690</u></u>	<u><u>\$ 2,839,236</u></u>	<u><u>\$ 10,771,298</u></u>

2010		
NeighborImpact	Community Action Foundation of Central Oregon	Total
\$ 1,079,769	\$ 213,894	\$ 1,293,663
1,438,336	-	1,438,336
-	-	-
807,275	-	807,275
4,457	-	4,457
92,198	-	92,198
<u>3,422,035</u>	<u>213,894</u>	<u>3,635,929</u>
-	630,399	630,399
259,915	-	259,915
<u>1,229,549</u>	<u>5,000</u>	<u>1,234,549</u>
<u>1,489,464</u>	<u>635,399</u>	<u>2,124,863</u>
<u>1,017,150</u>	<u>282,830</u>	<u>1,299,980</u>
-	-	-
<u>\$ 5,928,649</u>	<u>\$ 1,132,123</u>	<u>\$ 7,060,772</u>
\$ 180,221	\$ -	\$ 180,221
227,759	-	227,759
87,090	-	87,090
3,427	-	3,427
-	-	-
<u>2,609</u>	<u>-</u>	<u>2,609</u>
501,106	-	501,106
<u>49,945</u>	<u>-</u>	<u>49,945</u>
<u>551,051</u>	<u>-</u>	<u>551,051</u>
2,287,670	1,031,014	3,318,684
2,543,803	101,109	2,644,912
<u>546,125</u>	<u>-</u>	<u>546,125</u>
<u>5,377,598</u>	<u>1,132,123</u>	<u>6,509,721</u>
<u>\$ 5,928,649</u>	<u>\$ 1,132,123</u>	<u>\$ 7,060,772</u>

**NEIGHBORIMPACT**  
**CONSOLIDATING SCHEDULE OF REVENUE AND EXPENSES**  
For the Year Ended June 30, 2011  
(With Comparative Totals for the Year Ended June 30, 2010)

	Management and General	Community Relations	Fundraising	Early Care and Education	Emergency Services	Food Bank Services
<b>Support and revenue</b>						
Federal grants	\$ 20,000	\$ 2,944	\$ -	\$ 1,745,142	\$ 3,403,926	\$ 463,552
State and local grants	-	-	354,194	2,510,617	1,861,234	48,376
Contributions	-	42,956	226,644	67,878	1,235	2,280,903
Program revenue	63,210	-	-	4,591	31,200	132,425
Rental income	-	-	-	-	-	-
Other revenue	12,155	-	19,411	1,906	-	6,845
Interest income	3,720	-	1,332	50	962	52
<b>Total support and revenue</b>	<b>99,085</b>	<b>45,900</b>	<b>601,581</b>	<b>4,330,184</b>	<b>5,298,557</b>	<b>2,932,153</b>
<b>Expenses</b>						
Personal services:						
Salaries and wages	539,796	12,168	39,492	2,085,994	539,324	124,177
Payroll taxes and benefits	172,925	2,893	10,067	1,106,778	172,679	47,141
<b>Total personal services</b>	<b>712,721</b>	<b>15,061</b>	<b>49,559</b>	<b>3,192,772</b>	<b>712,003</b>	<b>171,318</b>
Materials and services:						
Printing	2,908	-	3,468	6,343	3,724	3,543
Office expense	51,999	42,956	3,019	31,034	20,194	6,420
Interest	-	-	-	2,517	-	-
Insurance	19,402	-	-	25,728	2,202	2,713
Professional fees	18,293	-	-	2,533	3,780	1,800
Contract services	9,335	-	13,286	49,580	17,759	5,890
Repairs and maintenance	3,453	-	-	31,215	6,924	5,575
Client assistance	-	-	-	400,098	3,305,807	2,792,675
Transportation and lodging	2,417	-	672	62,716	19,850	1,033
Rent	-	-	784	40,010	25,828	-
Janitorial	5,940	-	-	-	3,499	1,320
Utilities and telephone	28,834	328	180	35,958	22,250	2,998
Training and recruitment	3,373	-	918	31,451	669	150
Dues and other fees	4,006	-	125	8,475	1,163	-
Loss on investment	-	-	-	-	-	-
Administration	(838,384)	1,791	13,039	390,046	245,799	21,465
<b>Total materials and services</b>	<b>(688,424)</b>	<b>45,075</b>	<b>35,491</b>	<b>1,117,704</b>	<b>3,679,448</b>	<b>2,845,582</b>
<b>Total expenses</b>	<b>24,297</b>	<b>60,136</b>	<b>85,050</b>	<b>4,310,476</b>	<b>4,391,451</b>	<b>3,016,900</b>
<b>Change in net assets, before transfers and depreciation</b>	<b>74,788</b>	<b>(14,236)</b>	<b>516,531</b>	<b>19,708</b>	<b>907,106</b>	<b>(84,747)</b>
Transfers (to) from other funds	(465,332)	14,236	(480,318)	9,500	62,103	114,870
Depreciation and amortization	(7,463)	-	-	(58,189)	(2,722)	(17,103)
<b>Change in net assets</b>	<b>(398,007)</b>	<b>-</b>	<b>36,213</b>	<b>(28,981)</b>	<b>966,487</b>	<b>13,020</b>
Net assets, beginning of year	1,213,017	(6,151)	282,601	569,216	346,658	302,361
<b>Net assets, end of year</b>	<b>\$ 815,010</b>	<b>\$ (6,151)</b>	<b>\$ 318,814</b>	<b>\$ 540,235</b>	<b>\$ 1,313,145</b>	<b>\$ 315,381</b>

Home Ownership Center	Neighborhood Reinvestment Fund Capital	Total NeighborImpact	Community Action		Healy Heights Partner, LLC	Total	
			Foundation of Central Oregon			2011	2010
\$ 1,854,906	\$ 195,494	\$ 7,685,964	\$ -	\$ -	\$ 7,685,964	\$ 7,835,231	
378,281	-	5,152,702	-	-	5,152,702	4,438,504	
-	-	2,619,616	-	247,167	2,866,783	2,769,040	
47,811	-	279,237	-	-	279,237	251,001	
-	-	-	-	18,346	18,346	-	
1,374	-	41,691	9,005	716	51,412	177,947	
27,857	-	33,973	2,665	7	36,645	29,141	
<u>2,310,229</u>	<u>195,494</u>	<u>15,813,183</u>	<u>11,670</u>	<u>266,236</u>	<u>16,091,089</u>	<u>15,500,864</u>	
514,158	-	3,855,109	-	1,996	3,857,105	3,945,967	
173,180	-	1,685,663	-	-	1,685,663	1,768,900	
<u>687,338</u>	<u>-</u>	<u>5,540,772</u>	<u>-</u>	<u>1,996</u>	<u>5,542,768</u>	<u>5,714,867</u>	
4,607	-	24,593	-	-	24,593	26,285	
41,647	-	197,269	12,092	-	209,361	315,443	
-	-	2,517	-	2,194	4,711	2,402	
6,343	-	56,388	-	823	57,211	60,560	
5,811	-	32,217	1,330	1,641	35,188	30,266	
51,803	-	147,653	-	-	147,653	259,960	
934	-	48,101	206	6,119	54,426	54,495	
1,353,253	-	7,851,833	-	-	7,851,833	8,128,886	
22,938	-	109,626	-	-	109,626	115,259	
35,203	-	101,825	-	-	101,825	82,210	
3,593	-	14,352	-	-	14,352	15,809	
13,990	-	104,538	-	2,828	107,366	101,966	
4,381	-	40,942	-	-	40,942	65,250	
3,128	-	16,897	-	-	16,897	20,997	
-	15,282	15,282	-	-	15,282	2,083	
166,244	-	-	-	1,561	1,561	-	
<u>1,713,875</u>	<u>15,282</u>	<u>8,764,033</u>	<u>13,628</u>	<u>15,166</u>	<u>8,792,827</u>	<u>9,281,871</u>	
<u>2,401,213</u>	<u>15,282</u>	<u>14,304,805</u>	<u>13,628</u>	<u>17,162</u>	<u>14,335,595</u>	<u>14,996,738</u>	
(90,984)	180,212	1,508,378	(1,958)	249,074	1,755,494	504,126	
198,394	-	(546,547)	(510,526)	1,057,073	-	-	
(7,719)	-	(93,196)	(9,451)	(7,192)	(109,839)	(97,575)	
99,691	180,212	868,635	(521,935)	1,298,955	1,645,655	406,551	
<u>2,123,771</u>	<u>546,125</u>	<u>5,377,598</u>	<u>1,132,123</u>	<u>-</u>	<u>6,509,721</u>	<u>6,103,170</u>	
<u>\$ 2,223,462</u>	<u>\$ 726,337</u>	<u>\$ 6,246,233</u>	<u>\$ 610,188</u>	<u>\$ 1,298,955</u>	<u>\$ 8,155,376</u>	<u>\$ 6,509,721</u>	