

NEIGHBORIMPACT

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

**For the Year Ended June 30, 2013
(With Comparative Totals for the Year Ended June 30, 2012)**



NEIGHBORIMPACT
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(With Comparative Totals for the Year Ended June 30, 2012)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
NeighborImpact
Redmond, Oregon

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NeighborImpact (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2013, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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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, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited NeighborImpact's 2012 consolidated financial statements, and our report dated December 3, 2012, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matter

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis 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 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2014, on our consideration of NeighborImpact's internal control over financial reporting and on 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* in considering NeighborImpact's internal control over financial reporting and compliance.

Jones & Roth, P.C.

Jones & Roth, P.C.
Bend, Oregon
January 21, 2014

CONSOLIDATED FINANCIAL STATEMENTS

NEIGHBORIMPACT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2013
(With Comparative Totals for June 30, 2012)

	2013	2012
Assets		
Current assets		
Cash and cash equivalents	\$ 1,439,528	\$ 1,758,607
Short-term investments	425,000	700,000
Accounts receivable	629	22
Grants receivable	977,225	594,872
Prepaid expenses and other current assets	85,167	27,011
Food inventory	90,272	160,741
Total current assets	3,017,821	3,241,253
Other assets		
Long-term investments	1,775,000	1,300,000
Restricted notes receivable	339,651	402,982
Other notes receivable, net of deferred portion	376,415	468,335
Total other assets	2,491,066	2,171,317
Property and equipment , net of accumulated depreciation	4,237,661	4,521,102
Intangible assets , net of accumulated amortization	25,398	28,771
Total assets	\$ 9,771,946	\$ 9,962,443

	<u>2013</u>	<u>2012</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 169,386	\$ 194,340
Accrued expenses	142,879	190,069
Escrow liability	9,894	7,077
Security deposits	44,113	39,793
Current portion of long-term debt	<u>42,863</u>	<u>41,324</u>
Total current liabilities	409,135	472,603
Long-term debt, net of current portion	<u>1,421,401</u>	<u>1,464,361</u>
Total liabilities	<u>1,830,536</u>	<u>1,936,964</u>
Net assets		
Unrestricted	2,466,280	2,976,410
Temporarily restricted	4,763,343	4,337,282
Permanently restricted	<u>711,787</u>	<u>711,787</u>
Total net assets	<u>7,941,410</u>	<u>8,025,479</u>
Total liabilities and net assets	<u>\$ 9,771,946</u>	<u>\$ 9,962,443</u>

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

NEIGHBORIMPACT
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013
(With Comparative Totals for June 30, 2012)

	<u>Unrestricted Funds</u>	<u>Temporarily Restricted Funds</u>	<u>Permanently Restricted Funds</u>
Support, revenue, gains (losses) and other reclassifications			
Federal grants	\$ -	\$ 5,027,759	\$ -
State and local grants	-	5,000,933	-
Contributions	198,137	3,412,218	-
Program revenue	-	363,437	-
Rental income	419,092	65,780	-
Interest income	39,573	-	-
Other revenue	69,640	-	-
Loss on investment	-	-	-
Forgiveness of debt	-	-	-
Net assets released from program restrictions	<u>13,444,066</u>	<u>(13,444,066)</u>	<u>-</u>
 Total support, revenue, gains (losses), and other reclassifications	 <u>14,170,508</u>	 <u>426,061</u>	 <u>-</u>
 Expenses			
Program services:			
Health and welfare	13,880,758	-	-
Support services:			
Management and general	633,598	-	-
Fundraising	<u>166,282</u>	<u>-</u>	<u>-</u>
 Total expenses	 <u>14,680,638</u>	 <u>-</u>	 <u>-</u>
 Change in net assets	 (510,130)	 426,061	 -
 Net assets, beginning of year	 <u>2,976,410</u>	 <u>4,337,282</u>	 <u>711,787</u>
 Net assets, end of year	 <u>\$ 2,466,280</u>	 <u>\$ 4,763,343</u>	 <u>\$ 711,787</u>

<u>Totals</u>	
<u>2013</u>	<u>2012</u>
\$ 5,027,759	\$ 7,754,002
5,000,933	4,118,188
3,610,355	3,333,083
363,437	579,157
484,872	454,867
39,573	44,653
69,640	27,407
-	(111,484)
-	(444,167)
-	-
14,596,569	15,755,706
13,880,758	14,296,400
633,598	1,474,473
166,282	114,730
14,680,638	15,885,603
(84,069)	(129,897)
8,025,479	8,155,376
<u>\$ 7,941,410</u>	<u>\$ 8,025,479</u>

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

NEIGHBORIMPACT
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2013
(With Comparative Totals for June 30, 2012)

	<u>Support Services</u>		<u>Program Services</u>
	<u>Management and General</u>	<u>Fundraising</u>	<u>Health and Welfare</u>
Salaries and wages	\$ 368,108	\$ 96,033	\$ 3,847,430
Payroll taxes and benefits	154,962	28,021	1,424,921
Printing	2,463	11,345	21,899
Office expenses	71,040	6,959	120,475
Interest	-	-	50,553
Insurance	-	-	59,702
Professional fees	-	-	43,015
Contract services	10	7,277	455
Repairs and maintenance	-	-	201,005
Client assistance	-	9,611	7,120,323
Transportation and lodging	3,054	2,981	207,196
Rent	290	-	127,087
Janitorial	-	-	10,290
Utilities and telephone	24,088	1,694	149,139
Training and recruitment	1,491	1,684	48,272
Dues and fees	2,606	677	9,497
Other	-	-	158,170
	<hr/>	<hr/>	<hr/>
Total expenses before depreciation	628,112	166,282	13,599,429
Depreciation	<hr/> 5,486	<hr/> -	<hr/> 281,329
Total expenses	<hr/> <u>\$ 633,598</u>	<hr/> <u>\$ 166,282</u>	<hr/> <u>\$ 13,880,758</u>

<u>Totals</u>	
<u>2013</u>	<u>2012</u>
\$ 4,311,571	\$ 4,278,723
1,607,904	1,520,573
35,707	22,727
198,474	263,550
50,553	56,258
59,702	62,807
43,015	59,991
7,742	146,884
201,005	186,147
7,129,934	8,406,833
213,231	181,208
127,377	100,947
10,290	12,462
174,921	191,362
51,447	56,700
12,780	9,347
<u>158,170</u>	<u>45,577</u>
14,393,823	15,602,096
<u>286,815</u>	<u>283,507</u>
<u>\$ 14,680,638</u>	<u>\$ 15,885,603</u>

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

NEIGHBORIMPACT
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2013
(With Comparative Totals for June 30, 2012)

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Change in net assets	\$ (84,069)	\$ (129,897)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	286,815	283,507
(Increase) decrease in food inventory	70,469	(41,262)
Foregiveness of debt	-	444,167
Loss on release of investment	-	111,484
(Increase) decrease in:		
Accounts receivable	(607)	8,983
Grants receivable	(382,353)	486,757
Prepaid expenses	(58,156)	(22,444)
Increase (decrease) in:		
Accounts payable	(24,954)	(25,300)
Accrued expenses	(47,190)	(63,631)
Deferred grant revenue	-	(359,495)
Escrow liability	2,817	(193,101)
Security deposits	4,320	5,485
Net cash provided (used) by operating activities	<u>(232,908)</u>	<u>505,253</u>
Cash flows from investing activities		
Net purchases of investments	(200,000)	(453,994)
Collections and write-offs of notes receivable	195,758	35,993
Issuance of notes receivable	(40,508)	-
Purchase of property and equipment	-	(54,460)
Net cash used by investing activities	<u>(44,750)</u>	<u>(472,461)</u>
Cash flows from financing activities		
Principal payments on notes payable	(41,421)	(42,916)
Net change in cash and cash equivalents	(319,079)	(10,124)
Cash and cash equivalents, beginning of year	<u>1,758,607</u>	<u>1,768,731</u>
Cash and cash equivalents, end of year	<u>\$ 1,439,528</u>	<u>\$ 1,758,607</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 50,553</u>	<u>\$ 56,258</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).

NeighborImpact has control over appointments to the Board of CAFCO so consolidation is required under accounting principles generally accepted in the United States of America. 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 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. The tax returns for NeighborImpact, CAFCO, and DFHLP are subject to examination by the IRS generally for three years after they were filed.

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, NeighborImpact 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 NeighborImpact'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

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

Property and Equipment

Property and equipment acquired by NeighborImpact are considered to be owned by NeighborImpact. However, government 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. The land, building, and improvements at NeighborImpact's main location in Redmond Oregon, with a total cost of \$1,113,678, and related accumulated depreciation of \$444,516, as of June 30, 2013, is subject to a land use lease with the city of Redmond whereby upon termination of the lease, title of the property would transfer to the city of Redmond. The lease, after two extension options, expires May 2049. Management deems the likelihood of the lease terminating prior to such date to be remote.

Paving, 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. NeighborImpact 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 NeighborImpact's consolidated financial statements for the year ended June 30, 2012, from which the summarized information was derived.

NEIGHBORIMPACT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies, continued

Net Assets

Net assets of NeighborImpact consist of the following:

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

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.

2. Cash and Cash Equivalents

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

	2013	2012
Checking and savings accounts	\$ 1,439,528	\$ 1,758,607

3. Investments

Investments consist primarily of certificates of deposits and treasury bills with original maturity dates greater than 90 days, stated at fair value, in the amount of \$2,200,000 and \$2,000,000 as of June 30, 2013 and 2012, respectively. Principal amounts range from \$50,000 to \$200,000 with maturity dates that range from October 2013 through June 2016.

4. Notes Receivable

At June 30, notes receivable consisted of the following:

	2013	2012
Housing Assistance Loans, principal due subject to certain restrictions, various interest rates, secured by real estate, various maturities.	\$ 2,845,588	\$ 2,966,268
Neighborhood Reinvestment Corporation Loans, various interest rates, secured by real estate.	339,651	402,982
HW Madras Limited Liability Company, principal due subject to certain restrictions, interest at 3.66%, secured by real estate, due September 2030.	180,944	180,944
Deferred portion	3,366,183 (2,650,117)	3,550,194 (2,678,877)
Notes receivable, net of deferred portion	\$ 716,066	\$ 871,317

NEIGHBORIMPACT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Notes Receivable, continued

NeighborImpact 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 NeighborImpact 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>2013</u>	<u>2012</u>
Land	\$ 1,034,032	\$ 1,034,032
Buildings	6,283,603	6,283,603
Furniture and equipment	416,070	416,070
Roads and landscaping	215,793	215,793
Vehicles	<u>619,652</u>	<u>619,652</u>
	8,569,150	8,569,150
Accumulated depreciation	<u>(4,331,489)</u>	<u>(4,048,048)</u>
Property and equipment, net of accumulated depreciation	<u>\$ 4,237,661</u>	<u>\$ 4,521,102</u>

6. Long-term Debt

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

	<u>2013</u>	<u>2012</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, 2013 and 2012. Secured by real estate, due 2023.	\$ 44,314	\$ 47,283
Payable to Chase from DFHLP, monthly payments of \$7,417, including interest at 3.51%. Secured by real estate, due 2021.	<u>1,419,950</u>	<u>1,458,402</u>
	1,464,264	1,505,685
Current portion	<u>(42,863)</u>	<u>(41,324)</u>
Long-term debt, net of current portion	<u>\$ 1,421,401</u>	<u>\$ 1,464,361</u>

NEIGHBORIMPACT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. Long-term Debt, continued

Maturities of long-term debt are as follows:

Year Ending June 30,	
2014	\$ 42,863
2015	44,499
2016	46,200
2017	47,970
2018	49,811
Thereafter	1,232,921
Total	\$ 1,464,264

7. Concentrations of Credit Risk

Financial instruments that potentially subject NeighborImpact to a concentration of credit risk consist principally of cash and cash equivalents and notes receivable. NeighborImpact 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, 2013 and 2012, \$884,770 and \$-0-, respectively, in deposits exceeded FDIC insurance of \$250,000. NeighborImpact 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.

NeighborImpact provides down payment and housing rehabilitation loans primarily to low and moderate income individuals. Notes receivable totaling \$3,366,183 are secured by property purchased or improved. These notes are a concentration of credit risk. Additionally, NeighborImpact receives approximately 93 percent of its funding from grants, contracts, and contributions.

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 formally 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. CAFCO's interest in Madras Family Housing Limited Partnership was disposed during the year ended June 30, 2012.

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, 2013 and 2012.

NEIGHBORIMPACT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. Permanently Restricted Funds

NeighborWorks America provided capital grants during prior years 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 NeighborImpact's mission. For the years ended June 30, 2013 and 2012, NeighborWorks allowed NeighborImpact to release funds totaling \$-0- and \$14,550, respectively, from restrictions. Should NeighborImpact 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. NeighborImpact invested the capital grant in U.S. Treasury bills in order to comply with grantor requirements. As of June 30, 2013 and 2012, NeighborImpact held 19 and 22 loans totaling \$339,651 and \$402,982, respectively, in connection with this program. There were no loans as of June 30, 2013 or 2012 that were considered to be delinquent.

10. Operating Lease Commitment

During the year ended June 30, 2012, NeighborImpact entered into space lease agreements in Bend and Redmond. The leases expire September 30, 2014.

As of June 30, 2013, NeighborImpact'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>	
2014	\$ 71,205
2015	<u>17,961</u>
Total	<u>\$ 89,166</u>

11. Retirement Plan

NeighborImpact maintains a Simplified Employee Pension (SEP) plan for eligible employees. During the years ended June 30, 2013 and 2012, employer pension expense totaled \$175,674 and \$165,757, respectively.

12. Contingency

NeighborImpact 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 NeighborImpact'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 NeighborImpact 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 NeighborImpact's own data.

The following tables set forth by level, within the fair value hierarchy, NeighborImpact's assets at fair value as of June 30, 2013 and 2012:

Assets at Fair Value as of June 30, 2013				
	Level 1	Level 2	Level 3	Total
Investments in certificates of deposit	<u>\$ 2,200,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,200,000</u>
Assets at Fair Value as of June 30, 2012				
	Level 1	Level 2	Level 3	Total
Investments in certificates of deposit	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>

14. Reclassifications

Certain amounts within the consolidated financial statements were reclassified in the prior year summarized information. The purpose of the reclassifications is to give a consistent representation of the Organization's records. The reclassifications had no effect on the reported change in net assets for either period.

NEIGHBORIMPACT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15. 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 the date of the independent auditor's report and the following was identified.

In December 2013, Healy Heights Partner, LLC (HHP) was sold to an unrelated party for \$2,902,500, at which time NeighborImpact and Community Action Foundation of Central Oregon released any ownership of HHP.

SINGLE AUDIT SECTION

NEIGHBORIMPACT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Energy		
Passed through Oregon Housing and Community Services:		
DOE WX	81.042	\$ 66,209
BPA Weatherization	81.XXX	<u>138,081</u>
Total U.S. Department of Energy		<u>204,290</u>
U.S. Department of Treasury		
Passed through Neighborworks America:		
Neighborhood Reinvestment Program - expendable	21.000	132,125
Passed through Oregon Housing and Community Services:		
E-Home/OHOP	21.000	<u>150</u>
Total U.S. Department of Treasury		<u>132,275</u>
U.S. Department of Health and Human Services		
Head Start	93.600	1,375,035
Passed through Oregon Housing and Community Services:		
Housing Stabilization Program (TANF)	93.558	25,722
Low-income Energy Assistance (LIEAP)	93.568	1,783,356
Community Service Block Grant	93.569	189,722
Passed through Western Oregon University:		
Partnership for Inclusive Childcare in Education	93.575	6,000
Passed through Child Care Resources and Referral Network:		
Child Care Development Block Grant	93.575	<u>356,128</u>
Total U.S. Department of Health and Human Services		<u>3,735,963</u>
U.S. Department of Agriculture		
Passed through Oregon Department of Education:		
Child and Adult Care Food Program	10.558	220,580
Passed through Oregon Food Bank:		
Temporary Emergency Food Assistance Program Administrative Costs	10.568	13,248
Temporary Emergency Food Assistance Program Food Commodities	10.569	<u>397,984</u>
Total U.S. Department of Agriculture		<u>631,812</u>

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Homeland Security		
Passed through Deschutes United Way: Emergency Food and Shelter Program	97.024	<u>16,021</u>
U.S. Department of Housing and Urban Development		
Supportive Housing Program	14.235	298,121
Passed through NeighborWorks America: Housing Counseling Assistance Program	14.169	19,631
Passed through Oregon Housing and Community Services: Emergency Shelter Grant Program	14.231	206,727
Home TBA	14.239	145,592
ARRA Homeless Prevention Program	ARRA 14.257	1,669
Passed through the City of Bend: Community Development Block Grant	14.228	<u>36,098</u>
Total U.S. Department of Housing and Urban Development		<u>707,838</u>
Total federal expenditures		<u>\$ 5,428,199</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, 2013.

NEIGHBORIMPACT
NOTES TO SCHEDULE OF EXPENIDTURES OF FEDERAL AWARDS

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of NeighborImpact and is presented on the accrual basis accounting. The information in the schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ form amounts presented in or used in the preparation of the consolidated financial statements.

2. Insurance Coverage

NeighborImpact maintains insurance coverage as recommended by its insurance agent of record, which is commensurate with its risks and comparable to other agencies.

**INDEPENDENT AUDITOR'S 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, in accordance with the 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, the consolidated financial statements of NeighborImpact (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2013, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered NeighborImpact's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness at 2013-1. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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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*.

NeighborImpact's Response to Findings

NeighborImpact's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. NeighborImpact's response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Jones & Roth, P.C.
Bend, Oregon
January 21, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors
NeighborImpact
Redmond, Oregon

Report on Compliance for Each Major Federal Program

We have audited NeighborImpact's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of NeighborImpact's major federal programs for the year ended June 30, 2013. NeighborImpact's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of NeighborImpact's major federal programs based on our audit of the types of compliance requirements referred to above. 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of NeighborImpact's compliance.

Opinion on Each Major Federal Program

In our opinion, NeighborImpact complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

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Report on Internal Control Over Compliance

Management of NeighborImpact is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered NeighborImpact's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness at 2013-2.

NeighborImpact's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. NeighborImpact's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Jones & Roth, P.C.
Bend, Oregon
January 21, 2014

NEIGHBORIMPACT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013

Summary of Auditor's Results

- 1) The independent auditor's report expresses an unqualified opinion on the consolidated financial statements of NeighborImpact for the year ended June 30, 2013.
- 2) One material weakness in internal control over financial reporting was disclosed during the audit of the consolidated financial statements of NeighborImpact for the year ended June 30, 2013.
- 3) No instances of noncompliance material to the consolidated financial statements of NeighborImpact, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- 4) One material weaknesses in internal control over compliance was disclosed during the audit of the major federal award programs.
- 5) The independent auditor's report on compliance for the major federal award programs for NeighborImpact expresses an unqualified opinion.
- 6) There is one audit finding relative to the major federal award programs of NeighborImpact that is required to be reported.
- 7) The programs tested as major programs include:
 - Head Start 93.600
 - Low Income Energy Assistance Program 93.568
 - Child Care Development Block Grant 93.575
 - Temporary Emergency Food Assistance Program 10.568/10.569
- 8) The threshold for distinguishing between Type A and B programs was \$300,000.
- 9) NeighborImpact qualified as a low-risk auditee.

Findings – Consolidated Financial Statement Audit

2013-1 Year End Closing and Subsidiary Ledgers

Condition: It was identified during our financial statement audit procedures that food inventory, notes receivable and accrued vacation balances were not adjusted to the correct balance through the year end closing procedures and several subsidiary ledgers were not appropriately maintained through the reporting period.

Effect: Not adjusting statement of financial position balances to the correct balances through the year end closing process could result in material misstatement of the consolidated financial statements.

Cause: The condition was caused by a lack of internal controls over the timely reconciliation of the subsidiary ledgers to the financial statements during year end closing procedures. NeighborImpact's former chief financial officer retired and a replacement assumed the role after the end of the fiscal year ended June 30, 2013. The primary focus upon the hire was on orientation and policies and procedures review and modifications. As a result, not all subsidiary ledgers had been updated and not all closing journal entries had been made.

NEIGHBORIMPACT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the Year Ended June 30, 2013

Findings – Consolidated Financial Statement Audit, continued

2013-1 Year End Closing and Subsidiary Ledgers, continued

Auditor's Recommendation: Management should adequately maintain and update subsidiary ledgers through the reporting date. The statement of financial position balances should be reconciled and adjusted to agree to the subsidiary ledgers through the reporting date. Management should implement a policy to assure this process is performed timely.

Organization's Response: Management notes that this finding did not, at any time, risk assets, and NeighborImpact remains in full compliance with all federal program requirements. Management notes that transition and timing of the Chief Financial Officer is the source of this finding, making it unlikely to recur. Management will revisit year end closing procedures with subordinate staff to prevent recurrence in the future.

Findings and Questioned Costs – Major Federal Award Programs Audit

2013-2 Preparation of the Schedule of Expenditures of Federal Awards

Condition: OMB Circular A-133, Subpart C, Section 310, Paragraph (b) states the auditee shall prepare an accurate Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the auditee's financial statements. During our review of the SEFA, prepared by NeighborImpact, it was identified that the SEFA was incomplete and contained inaccuracies.

Effect: The inability to prepare an accurate SEFA could result in the material misstatement of the consolidated financial statements. The effected major programs were the Child Care Development Block Grant and the Temporary Emergency Food Assistance Program.

Cause: The condition was caused by a lack of internal controls over the preparation of the SEFA. NeighborImpact's former Chief Financial Officer retired and a replacement assumed the role after the end of the fiscal year ended June 30, 2013. The primary focus upon the hire was on orientation and policies and procedures review and modifications. As a result, the SEFA had not been accurately, or in its entirety, reconciled to the fund trial balance of NeighborImpact.

Auditor's Recommendation: Upon the close of each reporting period, the SEFA should be prepared from, and fully reconciled to, NeighborImpact's records.

Organization's Response: Management notes that this finding did not, at any time, risk assets, and NeighborImpact remains in full compliance with all federal program requirements. As a result of the Chief Financial Officer timing and transition, the Schedule of Federal Expenditures was updated based on the prior year's schedule. Management will amend procedures to ensure that an original schedule is prepared appropriately.

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, 2013
(With Comparative Totals for June 30, 2012)

	2013			Total
	NeighborImpact	Community Action Foundation of Central Oregon	Healy Heights Partner, LLC	
Assets				
Current assets				
Cash and cash equivalents	\$ 876,758	\$ 180,454	\$ 382,316	\$ 1,439,528
Short-term investments	425,000	-	-	425,000
Accounts receivable	-	-	629	629
Grants receivable	977,225	-	-	977,225
Prepaid expenses and other current assets	85,167	-	-	85,167
Food inventory	90,272	-	-	90,272
Total current assets	<u>2,454,422</u>	<u>180,454</u>	<u>382,945</u>	<u>3,017,821</u>
Other assets				
Long-term investments	1,775,000	-	-	1,775,000
Restricted notes receivable	339,651	-	-	339,651
Other notes receivable, net of deferred portion	376,415	-	-	376,415
Total other assets	<u>2,491,066</u>	<u>-</u>	<u>-</u>	<u>2,491,066</u>
Property and equipment , net of accumulated depreciation	<u>1,726,158</u>	<u>303,789</u>	<u>2,207,714</u>	<u>4,237,661</u>
Intangible assets , net of accumulated amortization	<u>-</u>	<u>-</u>	<u>25,398</u>	<u>25,398</u>
Total assets	<u>\$ 6,671,646</u>	<u>\$ 484,243</u>	<u>\$ 2,616,057</u>	<u>\$ 9,771,946</u>
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$ 169,386	\$ -	\$ -	\$ 169,386
Accrued expenses	142,807	-	72	142,879
Escrow liability	9,894	-	-	9,894
Security deposits	-	-	44,113	44,113
Current portion of long-term debt	3,158	-	39,705	42,863
Total current liabilities	325,245	-	83,890	409,135
Long-term debt , net of current portion	<u>41,156</u>	<u>-</u>	<u>1,380,245</u>	<u>1,421,401</u>
Total liabilities	<u>366,401</u>	<u>-</u>	<u>1,464,135</u>	<u>1,830,536</u>
Net assets				
Unrestricted	1,089,123	484,243	892,914	2,466,280
Temporarily restricted	4,504,335	-	259,008	4,763,343
Permanently restricted	711,787	-	-	711,787
Total net assets	<u>6,305,245</u>	<u>484,243</u>	<u>1,151,922</u>	<u>7,941,410</u>
Total liabilities and net assets	<u>\$ 6,671,646</u>	<u>\$ 484,243</u>	<u>\$ 2,616,057</u>	<u>\$ 9,771,946</u>

2012

NeighborImpact	Community Action Foundation of Central Oregon	Healy Heights Partner, LLC	Total
\$ 1,279,096	\$ 171,370	\$ 308,141	\$ 1,758,607
700,000	-	-	700,000
-	-	22	22
594,872	-	-	594,872
27,011	-	-	27,011
160,741	-	-	160,741
2,761,720	171,370	308,163	3,241,253
1,300,000	-	-	1,300,000
402,982	-	-	402,982
468,335	-	-	468,335
2,171,317	-	-	2,171,317
1,829,926	316,787	2,374,389	4,521,102
-	-	28,771	28,771
\$ 6,762,963	\$ 488,157	\$ 2,711,323	\$ 9,962,443
\$ 184,340	\$ -	\$ 10,000	\$ 194,340
189,968	-	101	190,069
7,077	-	-	7,077
-	-	39,793	39,793
2,985	-	38,339	41,324
384,370	-	88,233	472,603
44,298	-	1,420,063	1,464,361
428,668	-	1,508,296	1,936,964
1,495,673	470,938	1,009,799	2,976,410
4,126,835	17,219	193,228	4,337,282
711,787	-	-	711,787
6,334,295	488,157	1,203,027	8,025,479
\$ 6,762,963	\$ 488,157	\$ 2,711,323	\$ 9,962,443

NEIGHBORIMPACT
CONSOLIDATING SCHEDULE OF REVENUE AND EXPENSES
For the Year Ended June 30, 2013
(With Comparative Totals for June 30, 2012)

	Neighbor- Impact	Community Action Foundation of Central Oregon	Healy Heights Partner, LLC	Total	
				2013	2012
Support, revenue, and gains (losses)					
Federal grants	\$ 5,027,759	\$ -	\$ -	\$ 5,027,759	\$ 7,754,002
State and local grants	5,000,933	-	-	5,000,933	4,118,188
Contributions	3,610,355	-	-	3,610,355	3,333,083
Program revenue	363,437	-	-	363,437	579,157
Rental income	-	-	484,872	484,872	454,867
Interest income	39,437	-	136	39,573	44,653
Other revenue	61,133	45	8,462	69,640	27,407
Loss on investment	-	-	-	-	(111,484)
Forgiveness of debt	-	-	-	-	(444,167)
Total support, revenue, and gains (losses)	14,103,054	45	493,470	14,596,569	15,755,706
Expenses					
Personnel services:					
Salaries and wages	4,261,590	-	49,981	4,311,571	4,278,723
Payroll taxes and benefits	1,607,904	-	-	1,607,904	1,520,573
Total personnel services	5,869,494	-	49,981	5,919,475	5,799,296
Materials and services:					
Printing	35,707	-	-	35,707	22,727
Office expense	198,022	452	-	198,474	263,550
Interest	-	-	50,553	50,553	56,258
Insurance	47,276	-	12,426	59,702	62,807
Professional fees	31,979	2,457	8,579	43,015	59,991
Contract services	7,742	-	-	7,742	146,884
Repairs and maintenance	64,459	412	136,134	201,005	186,147
Client assistance	7,129,934	-	-	7,129,934	8,406,833
Transportation and lodging	213,231	-	-	213,231	181,208
Rent	127,377	-	-	127,377	100,947
Janitorial	10,290	-	-	10,290	12,462
Utilities and telephone	110,151	-	64,770	174,921	191,362
Training and recruitment	51,447	-	-	51,447	56,700
Dues and other fees	12,780	-	-	12,780	9,347
Administration	112,731	832	44,607	158,170	45,577
Total materials and services	8,153,126	4,153	317,069	8,474,348	9,802,800
Total expenses	14,022,620	4,153	367,050	14,393,823	15,602,096
Change in net assets, before transfer and depreciation	80,434	(4,108)	126,420	202,746	153,610
Transfer (to) from other funds	(5,715)	13,192	(7,477)	-	-
Depreciation and amortization	(103,769)	(12,998)	(170,048)	(286,815)	(283,507)
Change in net assets	(29,050)	(3,914)	(51,105)	(84,069)	(129,897)
Net assets, beginning of year	6,334,295	488,157	1,203,027	8,025,479	8,155,376
Net assets, end of year	\$ 6,305,245	\$ 484,243	\$ 1,151,922	\$ 7,941,410	\$ 8,025,479