

**NEIGHBORIMPACT AND AFFILIATE**

**CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**  
YEAR ENDED JUNE 30, 2020

# NEIGHBORIMPACT AND AFFILIATE

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
NeighborImpact  
Redmond, Oregon

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of NeighborImpact (a nonprofit organization) and Affiliate (collectively the Organization), which comprise the consolidated statement of financial position as of June 30, 2020, 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 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' 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 Audit 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NeighborImpact and Affiliate, as of June 30, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating information is presented for purposes of additional analysis and is 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 not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

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, is presented for purposes of additional analysis as required by the audit requirements of Title 2 United States Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Prior-Year Summarized Comparative Information*

We have previously audited the Organization's June 30, 2019, consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 12, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020, on our consideration of the Organization'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 the effectiveness of the Organization's 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 the Organization's internal control over financial reporting and compliance.

Price Frunk & Co.

December 15, 2020

## FINANCIAL STATEMENTS

# NEIGHBORIMPACT AND AFFILIATE

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2020

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,670,252	\$ 3,443,532
Grants receivable	2,272,596	1,694,590
Prepaid expenses and other current assets	4,871	6,752
Food inventory	115,293	99,097
<b>TOTAL CURRENT ASSETS</b>	<b>6,063,012</b>	<b>5,243,971</b>
<b>OTHER ASSETS</b>		
Beneficial interest in Oregon Community Foundation	32,507	31,516
Investments in mutual funds	187,535	183,249
Investment in LLC	244,150	134,509
NeighborHood Reinvestment Corporation notes receivable, net of allowance	1,138,291	1,191,261
Other notes receivable, net of allowance	2,742,222	2,708,447
<b>TOTAL OTHER ASSETS</b>	<b>4,344,705</b>	<b>4,248,982</b>
<b>FIXED ASSETS, net of accumulated depreciation</b>	<b>2,270,970</b>	<b>2,127,699</b>
<b>TOTAL ASSETS</b>	<b>\$ 12,678,687</b>	<b>\$ 11,620,652</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 73,795	\$ 197,478
Accrued expenses	238,870	197,087
Current portion of long-term debt		4,215
<b>TOTAL CURRENT LIABILITIES</b>	<b>312,665</b>	<b>398,780</b>
<b>LONG-TERM DEBT, net of current portion</b>		<b>18,400</b>
<b>OTHER LIABILITIES - Paycheck Protection Program (PPP) loan</b>	<b>85,786</b>	
<b>TOTAL LIABILITIES</b>	<b>398,451</b>	<b>417,180</b>
<b>NET ASSETS</b>		
Without donor restrictions	4,497,565	3,920,586
With donor restrictions	7,782,671	7,282,886
<b>TOTAL NET ASSETS</b>	<b>12,280,236</b>	<b>11,203,472</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 12,678,687</b>	<b>\$ 11,620,652</b>

See notes to financial statements



# NEIGHBORIMPACT AND AFFILIATE

## CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2020	2019
<b>SUPPORT AND REVENUE</b>				
Federal grants	\$ 383,410	\$ 8,242,733	\$ 8,626,143	\$ 6,737,118
State and local grants	23,575	7,287,454	7,311,029	7,248,414
Contributions - cash	728,749	1,323,592	2,052,341	1,241,309
Contributions - noncash		3,582,449	3,582,449	2,829,042
Program revenue	249,065		249,065	196,138
Investment income	115,922		115,922	105,656
Income from investment in LLC	109,641		109,641	5,366
Other revenue	46,079		46,079	34,923
Net assets, released from restrictions	19,936,443	(19,936,443)		
<b>Total Support and Revenues</b>	<b>21,592,884</b>	<b>499,785</b>	<b>22,092,669</b>	<b>18,397,966</b>
<b>EXPENSES</b>				
Program services				
Early care and education	6,343,813		6,343,813	5,214,270
Community services	6,465,153		6,465,153	5,512,836
Lending	200,382		200,382	150,728
Other	5,600,154		5,600,154	5,179,322
Support services				
Management and general	1,874,005		1,874,005	1,522,381
Fundraising and community relations	532,398		532,398	549,970
<b>Total Expenses</b>	<b>21,015,905</b>		<b>21,015,905</b>	<b>18,129,507</b>
<b>CHANGE IN NET ASSETS</b>	<b>576,979</b>	<b>499,785</b>	<b>1,076,764</b>	<b>268,459</b>
<b>NET ASSETS - Beginning of year</b>	<b>3,920,586</b>	<b>7,282,886</b>	<b>11,203,472</b>	<b>10,935,013</b>
<b>NET ASSETS - End of year</b>	<b>\$ 4,497,565</b>	<b>\$ 7,782,671</b>	<b>\$ 12,280,236</b>	<b>\$ 11,203,472</b>

See notes to financial statements



# NEIGHBORIMPACT AND AFFILIATE

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2020 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	Support Services		Program Services	
	Management and General	Fundraising and Community Relations	Early Care and Education	Energy and Housing
<b>PERSONNEL</b>				
Salaries and wages	\$ 989,280	\$ 319,354	\$ 3,567,682	\$ 911,115
Payroll taxes and benefits	232,892	89,428	1,398,774	261,974
Total Personnel	1,222,172	408,782	4,966,456	1,173,089
<b>MATERIALS AND SERVICES</b>				
Printing	8,990	14,731	13,861	10,992
Office expenses	96,755	34,269	97,000	81,674
Interest	736			
Insurance	13,575	2,051	48,059	5,448
Professional fees	67,970		823	53
Contract services	77,144	32,452	61,153	303,450
Repairs and maintenance	37,058		95,831	29,103
Client assistance			518,237	4,605,880
Transportation and lodging	31,853	16,011	81,034	27,648
Rent	124,399		216,661	163,686
Janitorial	20,353		2,952	5,217
Utilities and telephone	49,160	1,036	78,661	30,810
Training and recruitment	16,011	8,181	72,382	4,613
Dues and fees	43,089	14,885	19,612	6,542
Loss from investment in LLC				
Other	40,381			
Total Materials and Services	627,474	123,616	1,306,266	5,275,116
Total Expenses Before Depreciation	1,849,646	532,398	6,272,722	6,448,205
Depreciation	24,359		71,091	16,948
<b>TOTAL EXPENSES</b>	<b>\$ 1,874,005</b>	<b>\$ 532,398</b>	<b>\$ 6,343,813</b>	<b>\$ 6,465,153</b>

Program Services		Totals	
Lending	Other	2020	2019
\$ 112,739	\$ 821,478	\$ 6,721,648	\$ 5,599,599
29,169	273,012	2,285,249	1,985,186
141,908	1,094,490	9,006,897	7,584,785
1,825	5,838	56,237	50,319
4,841	33,402	347,941	233,438
		736	1,277
500	24,746	94,379	87,517
7,766		76,612	61,815
383	17,820	492,402	497,752
	20,517	182,509	200,991
37,231	4,263,573	9,424,921	8,246,466
1,973	42,403	200,922	314,479
	25,502	530,248	266,330
	4,798	33,320	24,988
232	13,513	173,412	159,345
3,715	11,111	116,013	122,797
8	6,360	90,496	80,179
			50,498
		40,381	13,081
58,474	4,469,583	11,860,529	10,411,272
200,382	5,564,073	20,867,426	17,996,057
	36,081	148,479	133,450
\$ 200,382	\$ 5,600,154	\$ 21,015,905	\$ 18,129,507

See notes to financial statements

# NEIGHBORIMPACT AND AFFILIATE

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2020

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,076,764	\$ 268,459
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation expense	148,479	133,450
(Income) loss from investment in LLC	(109,641)	30,132
Non-cash investment income	(1,619)	(2,163)
Non-cash donation of property and equipment		(26,350)
Changes in operating assets and liabilities		
Grants receivable	(578,006)	(419,465)
Notes receivable	19,195	100,139
Prepaid expenses	1,881	(2,442)
Food inventory	(16,196)	(37,169)
Accounts payable	(123,683)	(85,457)
Accrued expenses	41,783	12,193
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>458,957</b>	<b>(28,673)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Redemption of investments	628	608
Purchase of property and equipment	(291,750)	(189,237)
Purchase of investments	(4,286)	(137,661)
Cash dividend from investment in LLC		15,000
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(295,408)</b>	<b>(311,290)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on notes payable	(22,615)	(2,835)
Proceeds from other liabilities	85,786	
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>63,171</b>	<b>(2,835)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>226,720</b>	<b>(342,798)</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>3,443,532</b>	<b>3,786,330</b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 3,670,252</b>	<b>\$ 3,443,532</b>

See notes to financial statements

# NEIGHBORIMPACT AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Organization*

NeighborImpact (the Organization) is organized as a 501(c)(3) charitable corporation. A 15-member volunteer Board is responsible for setting policy and direction for the organization. From 1985, NeighborImpact has been recognized by the Oregon Housing and Community Services Department (OHCS) as a community action agency serving Crook, Deschutes and Jefferson Counties and the Confederated Tribes of Warm Springs, which is an independent governmental jurisdiction formed by a treaty with the United States Government in 1855 and is therefore senior to the State of Oregon and its counties. Because the reservation covers five counties, NeighborImpact provides some services out of the tri-county Central Oregon area in order to serve all Warm Springs residents. In addition, NeighborImpact serves some residents of northern Klamath county through an agreement with Klamath Family Head Start, and residents of Jefferson County through an agreement with the Mid-Columbia Children's Center, Oregon Child Development Corporation and Children's Learning Center. Residents of Christmas Valley in northern Lake County are supplied with food by authorization of the board of directors. The Organization maintains offices and classroom sites in the communities of Bend, La Pine, Madras, Prineville and Redmond.

The Organization is dedicated to supporting people and strengthening communities, especially through assistance to those living in poverty. The Organization's mission is delivered through three major divisions, Community Services (including Food), Early Care and Education and Community Development.

The Organization provides the following services to assist low- and moderate-income residents of Central Oregon:

Community Services – provides food through operation of the regional food bank, collecting food and redistributing it through approximately 58 agencies in Crook, Deschutes and Jefferson Counties and at the Confederated Tribes of Warm Springs. These groups are independent non-profits and/or faith-based organizations that distribute supplemental food and fresh produce and operate congregate meal sites. The Organization is the local distribution partner of the Oregon Food Bank and Feeding America. The Organization also provides transitional housing and emergency housing assistance, operates a 5-bed shelter, coordinates assistance in paying utility bills and providing weatherization services and education for low-income individuals and provides home-ownership counseling, financial education and assistance to individuals trying to stay in their homes through foreclosure prevention counseling, mortgage assistance and reverse mortgage counseling. Through its matched savings program, the Organization helps individuals save for home ownership, education and small business investments as well as other needs. The Organization operates a Representative Payee program which assists individuals who need assistance in administering their financial affairs due to cognitive or physical limitations.

# NEIGHBORIMPACT AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### *Organization – Continued*

Early Care and Education – operates Head Start and Early Head Start in Crook and Deschutes Counties. More than 784 children attend Head Start in 31 classrooms operating at 13 sites, plus five Early Head Start socialization centers. Early Head Start operates a home visiting program. The Head Start program also supports families of the children they serve, helping them move toward greater stability and a self-determined future. The Organization embraces a Two-Generation approach to eliminating poverty, giving children the skills to succeed and avoid poverty while helping their parents overcome factors keeping them in poverty.

Community Development – as part of its mission to “Strengthen Communities” NeighborImpact engages in community development work including development of applications for and administration of Community Development Block Grants on behalf of local governments. NeighborImpact also identifies, applies for and administers other funding such as business development and emergency response funding for local community benefit. As a result of this work, NeighborImpact has helped support improved sewer and water systems for local communities, support home ownership, and rehabilitate community facilities such as senior centers. NeighborImpact also helped distribute resources to aid and provide assistance in response to public health and wildfire emergencies. The Organization operates the Childcare Resources program, which provides training, technical assistance and business support to childcare providers throughout Central Oregon. Childcare Resources coordinates training and education for the region's childcare system and providers and evaluating and rating providers. The Organization engages in housing development through a partnership with Housing Works, the regional housing authority (see separate description) and is engaged in the development of a community solar project intended to bring low-cost, sustainable power to low-income residents of Crook County. The Organization has also done some work both on a contract and uncompensated basis, and both formally and informally, to support other like organizations in Oregon in improving operating and service-delivery systems. The Organization also supports community development through lending.

Lending to Income Qualified Individuals – separate from the programs discussed above, the Organization offers low-cost and deferred loans to income-qualified homeowners and individuals to preserve and rehabilitate property, replace failing wells and septic, provide downpayment assistance and closing cost loans and to support microenterprise and entrepreneurship to supplement income.

Advocacy – NeighborImpact has filed with the IRS an election to make expenditures to influence legislation. NeighborImpact reserves the right to make expenditures in the amount up to the designated election for lobbying purposes. As a matter of policy, NeighborImpact does not endorse or oppose partisan candidates for office and does not engage in partisan lobbying.



## NEIGHBORIMPACT AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

##### *Organization – Continued*

Supporting and affiliated organizations – the Community Action Foundation of Central Oregon (CAFCO) is a 501(c)(3) supporting organization that owns NeighborImpact's headquarters building, leases land from the City of Redmond and owns NeighborImpact's administration offices and food warehouse and other facilities. CAFCO's board of directors consisted entirely of members of NeighborImpact's board until September 29, 2020. On that date, the bylaws were amended and CAFCO became independently controlled with overlapping, minority participation on its board by NeighborImpact board members. CAFCO also receives and distributes grants supporting the Organization and other nonprofit organizations with missions that further the mission of the Organization.

The Organization is the majority partner of Housing Impact, a nonprofit LLC comprised of the Organization and Housing Works, the local housing authority for central Oregon. Housing Impact's mission is to develop affordable housing in central Oregon. The managing partner of Housing Impact is selected by the two organizations and is currently Housing Works.

The Organization is a member of the Community Action Partnership of Oregon (CAPO) and holds a board seat in that organization. CAPO is the designated statutory authority responsible for coordinating the delivery system for federal antipoverty programs in Oregon, including the Community Services Block Grant, Low Income Energy Assistance Program, State Department of Energy Weatherization Program and such other programs as may be available. The authority of the Community Action Partnership of Oregon can be found at ORS 458.505. There are 18 community action agencies in Oregon that comprise CAPO and share responsibility for delivery of anti-poverty services.

The Organization is a member of the NeighborWorks America network. There are approximately 240 NeighborWorks organizations nationwide, including six in Oregon. NeighborWorks organizations support affordable housing and community development and the people who benefit from them. NeighborWorks provides financial support to its members organizations to allow them to build more houses, empower more individuals and transform more communities than they would be able to do on their own.

The Organization operates its food program under a contract with FeedingAmerica, which coordinates its work in Oregon through the Oregon Food Bank. Feeding America is a nationwide network of food banks and the nation's leading domestic hunger-relief charity. Feeding America feeds 46 million people annually through approximately 60,000 food pantries and meal programs. The Organization receives food commodities through its affiliation with FeedingAmerica and the Oregon Food Bank.

The Organization is the sole member of two single-member LLCs, CAP Solar Impact 1, LLC and CAP Solar Impact OR 2, LLC. These organizations were formed to facilitate application for a community solar development project for the benefit of low-income individuals as provided for in Oregon SB1547 (2019). The project remains in development and neither LLC holds cash or property assets.

# NEIGHBORIMPACT AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### *Organization – Continued*

Resource Development – the Organization is supported in part through community donations. The Organization operates a fundraising and resource development program which seeks support from individual donors, foundations and corporations. Funds raised are used as local match for federal and state resources, program enhancement and to underwrite administrative costs (including fundraising costs) not permitted to be funded by federal and state funding.

As part of its Resource Development Program the Organization is the beneficiary of an endowment owned and managed by the Oregon Community Foundation (OCF). The principal of the endowment is reserved for the benefit of NeighborImpact and a portion of the earnings is distributed semi-annually. Distribution is determined by the Oregon Community Foundation. The organization also maintains a Board designated quasi-endowment. Principal from the quasi-endowment is preserved, except as directed by the Organization's board of directors. Interest earned from the OCF endowment and quasi-endowment is distributed, 50% in support of operations and 50% to build corpus.

#### *Consolidation Policy*

The accompanying consolidated financial statements include the accounts of NeighborImpact and Community Action Foundation of Central Oregon (CAFCO).

Prior to September 29, 2020, the Organization had control over appointments to the board of CAFCO, so consolidation is required under accounting principles generally accepted in the United States of America. Also prior to September 29, 2020, the Organization did not have the ability to remove board members of CAFCO and did not control the activity of CAFCO. Inter-organization transactions and balances have been eliminated in consolidation.

#### *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.

#### *Basis of Presentation*

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.



## NEIGHBORIMPACT AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

##### *Basis of Presentation – Continued*

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

##### *Income Taxes*

The Organization 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 Services (IRS) not to be private foundations within the meaning of Section 509(a) of the code. Accordingly, these consolidated statements do not reflect a provision for income taxes. The tax returns for the Organization and CAFCO 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 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, then a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. 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 market value in the period received.

##### *Donated Services and Materials*

Contributions of noncash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by those persons possessing those skills and would typically need to be purchased if not provided by donation or grant, are then recorded at their fair values in the period received.

# NEIGHBORIMPACT AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### *Donated Services and Materials – Continued*

NeighborImpact leases facilities from Housing Works to operate the Ochoco Head Start site in Prineville, OR and the Healy Heights Head Start site in Bend, OR below market rates through supportive services agreements. Non-cash donated use of facilities revenues and the related occupancy costs recognized when the facilities are used, and are reported at the fair market values of rent for these facilities. The amount of revenues reported for donated use of facilities was \$97,020 for the year ended June 30, 2020.

#### *Estimates*

The preparation of consolidated financial statements, in conformity with accounting principles generally accepted in the United States of America, required 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*

Based on past experience, management believes that grants receivable will be fully collectible. Therefore, no allowance was recorded.

#### *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 net assets with donor restrictions in accordance with grantor requirements.

#### *Investments*

The Organization holds a beneficial interest in the Oregon Community Foundation and an investment in mutual funds through a brokerage account at Merrill Lynch. Both investments are recorded at fair market value.

# NEIGHBORIMPACT AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### *Functional Allocation of Expenses*

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.

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

Expense	Method of Allocation
Personnel costs	Time and effort
Office expenses	Time and effort
Contract services	Time and effort
Repairs and maintenance	Time and effort
Client assistance	Time and effort
Transportation and lodging	Time and effort
Depreciation	Time and effort

#### *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 charges against the liability. Compensated absences are valued at current pay rates.

#### *Property and Equipment*

Property and equipment acquired by the Organization are considered to be owned by the Organization. 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 the Organization's main location in Redmond, Oregon with a total cost of \$1,305,907, and related accumulated depreciation of \$693,355 as of June 30, 2020, 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.

All fixed assets are depreciated using the straight-line method over the 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.

# NEIGHBORIMPACT AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### *Comparative 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 consolidated financial statements for the year ended June 30, 2019, from which the summarized information was derived.

#### *New Accounting Pronouncements*

In May 2014, the Financial Accounting and Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". This ASU and all subsequently issued clarifying ASUs replace most existing revenue recognition guidance in accounting principles generally accepted in the United States of America (U.S. GAAP). The ASU requires expanded disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In June of 2020, the FASB issued ASU 2020-05 which deferred for one year the required effective date of Topic 606. ASU 2014-09 will be effective beginning with the Organization's fiscal year ended June 30, 2021, at which point the Organization will adopt the new standard.

In February of 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)". This ASU amends existing guidance for recognizing lease assets and liabilities under accounting principles generally accepted in the United States of America (U.S. GAAP). ASU 2020-05 also deferred for one year the required effective date of Topic 842. This ASU will be effective beginning with the Organization's fiscal year ended June 30, 2023, at which point the Organization will adopt the new standard.

# NEIGHBORIMPACT AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 2 – AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30:

	2020	Restated 2019
Financial assets as of June 30:		
Cash and cash equivalents	\$ 3,670,252	\$ 3,443,532
Grants receivable	2,272,596	1,694,590
Beneficial interest in Oregon Community Foundation	32,507	31,516
Investment in mutual funds	187,535	183,249
Total financial assets	6,162,890	5,352,887
Less amounts not available to be used within one year:		
Net assets with donor restrictions	7,782,671	7,282,886
Less net assets with purpose restrictions to be met in less than one year	(3,138,359)	(2,694,071)
Beneficial interest in Oregon Community Foundation	32,507	31,516
Quasi-endowment established by the board	187,535	183,249
Total amounts not available:	4,864,354	4,803,580
Financial assets available to meet general expenditures over the next twelve months	\$ 1,298,536	\$ 549,307

Considering liquidity exclusively, the Organization's current financial assets are sufficient to satisfy its total obligations. The table above also considers availability of the Organization's financial assets should it be required to satisfy all restrictions on net assets, both imposed externally by donors and grantors, and designated internally.

The Organization's goal is generally to maintain financial assets to meet three months of operating expenses. As part of the Organization's liquidity plan, excess cash is invested in short-term investments, including certificates of deposit.

As of June 30, 2020, the Organization estimated it had 65 days of cash on hand. In the event of a closure, the Organization would likely suspend client assistance payments. Under these circumstances, the Organization estimated it had 115 days of cash on hand as of June 30, 2020.

## NEIGHBORIMPACT AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

#### NOTE 3 – STATEMENTS OF CASH FLOWS – NONCASH AND OTHER ITEMS

Cash paid for interest amounted to \$736 and \$1,277 for the years ended June 30, 2020, and 2019, respectively. The Organization paid no income taxes.

#### NOTE 4 – INVESTMENT IN LLC

The Organization holds a 51% ownership interest in Housing Impact LLC, an Oregon limited liability company. Although the Organization holds a majority interest in this company, the minority owner, Central Oregon Regional Housing Authority, dba Housing Works, makes all management decisions. As such, the Organization's investment in this company is presented in accordance with the equity method of accounting for investments.

Condensed financial information of Housing Impact LLC is summarized below as of and for the year ended June 30:

	<u>2020</u>	<u>2019</u>
Balance Sheet Data:		
Total assets	\$ 2,330,536	\$ 1,270,852
Total liabilities	<u>(1,718,951)</u>	<u>(874,250)</u>
Members' capital	<u>\$ 611,585</u>	<u>\$ 396,602</u>
Statement of Operations Data:		
Revenues	\$ 320,108	\$ 110,029
Expenses	<u>(105,124)</u>	<u>(70,095)</u>
Net income	<u>\$ 214,984</u>	<u>\$ 39,934</u>

The information above is audited as part of the audit of the minority owner. Recognized in the Organization's revenue is their 51% ownership share of Housing Impact's net income in the amount of \$109,641 and \$20,366 for the years ended June 30, 2020, and 2019, respectively. The Organization received no distributions in 2020, and a \$15,000 distribution was received in 2019.

# NEIGHBORIMPACT AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 5 – NOTES RECEIVABLE

NeighborHood Reinvestment Corporation notes receivable consisted of the following as of June 30:

	<u>2020</u>	<u>2019</u>
NeighborHood Reinvestment Corporation Loans - various interest rates, secured by real estate	\$ 1,163,792	\$ 1,217,956
Allowance for doubtful accounts	<u>(25,501)</u>	<u>(26,695)</u>
Net of allowance	<u>\$ 1,138,291</u>	<u>\$ 1,191,261</u>

Other notes receivable consisted of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Housing Assistance Loans, principal due subject to certain restrictions, various interest rates, secured by real estate, various maturities.	\$ 2,677,842	\$ 2,626,653
HW Madras Limited Liability Company, principal due subject to certain restrictions, interest at 4.75%, secured by real estate, due November 2026.	<u>123,163</u>	<u>139,448</u>
	2,801,005	2,766,101
Allowance for doubtful accounts	<u>(58,783)</u>	<u>(57,654)</u>
Net of allowance	<u>\$ 2,742,222</u>	<u>\$ 2,708,447</u>

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 long-term notes receivable based on historical experience and adjusts the allowance on an annual basis to report the net realizable value.

In June 2020, NeighborWorks America released from restriction the final balance remaining in the NeighborHood Reinvestment Fund in the amount of \$225,561.



# NEIGHBORIMPACT AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 5 – NOTES RECEIVABLE – CONTINUED

The allowance for doubtful accounts related to financing receivables consisted of the following as of June 30, 2020:

	Home Preservation	Septic Repair	Down Payment Assistance	Closing Cost Assistance	Micro Enterprise	Unallocated	Total
<b>Allowance for doubtful accounts:</b>							
Beginning balance	\$ 36,749	\$ 4,257	\$ 42,230	\$ 683	\$ 431	\$	\$ 84,350
Charge-offs							
Recoveries							
Provisions	(42)	(2)	(20)	(1)	(1)		(66)
Ending balance	<u>\$ 36,707</u>	<u>\$ 4,255</u>	<u>\$ 42,210</u>	<u>\$ 682</u>	<u>\$ 430</u>	<u>\$ -</u>	<u>\$ 84,284</u>
<b>Financing receivables:</b>							
Ending balance	<u>\$ 2,415,542</u>	<u>\$ 127,772</u>	<u>\$ 1,206,641</u>	<u>\$ 41,039</u>	<u>\$ 50,640</u>	<u>\$ 123,163</u>	<u>\$ 3,964,797</u>

An aging analysis of past due financing receivables as of June 30, 2020, is presented below:

	30-59 Days Past Due	60-89 Days Past Due	Greater than 90 Days	Total Past Due	Current	Total Financing Receivables	Recorded Investment > 90 Days and Accruing
Home Preservation	\$	\$	\$	\$	\$ 2,415,542	\$ 2,415,542	\$
Septic Repair					127,772	127,772	
Down Payment Assistance					1,206,641	1,206,641	
Closing Cost Assistance					41,039	41,039	
Micro Enterprise					50,640	50,640	
Unallocated					123,163	123,163	
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,964,797</u>	<u>\$ 3,964,797</u>	<u>\$ -</u>

Any loan balance on which payment has not been received within 30 days during the amortization period is considered past due. Loans in forbearance are not considered past due, so long as the borrower makes alternate payment arrangements. Loans in deferral are not considered past due as payment is triggered by a future sale.

## NEIGHBORIMPACT AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

#### NOTE 5 – NOTES RECEIVABLE – CONTINUED

Due to the financial uncertainties presented to borrowers as a result of the COVID-19 pandemic, all loans were moved to deferred status on June 30, 2020. Because of the nature of these loan programs, most loans were already considered current due to other deferred payment qualifications.

#### NOTE 6 – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30:

	2020	2019
Land	\$ 483,930	\$ 483,930
Buildings	2,039,707	1,891,442
Furniture and equipment	572,478	469,379
Roads and landscaping	82,039	59,735
Vehicles	1,161,383	1,143,302
	4,339,537	4,047,788
Accumulated depreciation	(2,068,567)	(1,920,089)
	<u>\$ 2,270,970</u>	<u>\$ 2,127,699</u>

#### NOTE 7 – LONG-TERM DEBT

As of June 30, 2019, long-term debt consisted of a note payable to First Interstate Bank, due in monthly installments of \$462, including interest at the First Interstate Bank 3-year rate plus 2.75%, which was 5.68% as of June 30, 2019. This note was secured by real estate, and matured in 2023. As of June 30, 2019, the total outstanding principal balance of this note was \$22,615, of which \$4,215 was due within one year. This note was repaid in full during the year ended June 30, 2020.

#### NOTE 8 – OTHER LIABILITIES – PAYCHECK PROTECTION PROGRAM LOAN

During the COVID-19 pandemic, the Organization entered into a loan agreement with First Interstate Bank for the SBA Paycheck Protection Program (PPP) loan in the amount of \$85,786. The loan agreement called for monthly payments of \$4,804, including interest at 1%, beginning in November 2020. The loan matured in April 2022. If the loan proceeds were spent on allowable uses, primarily payroll, the entire amount of the

## NEIGHBORIMPACT AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

#### NOTE 8 – OTHER LIABILITIES – PAYCHECK PROTECTION PROGRAM LOAN – CONTINUED

loan could be forgiven. No monthly payments were required on this loan before the SBA made a determination as to the forgiven amount. The Organization applied for, and was granted loan forgiveness by SBA in November 2020.

#### NOTE 9 – CONCENTRATIONS OF CREDIT RISKS

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. The Organization utilizes sweep accounts to transfer any excess funds over the FDIC limit on a nightly basis to ensure all balances maintained at this institution remain insured by the FDIC at all times.

The Organization provides down payment and housing rehabilitation loans primarily to low and moderate income individuals. Notes receivable totaling \$3,964,797 are secured by property purchased or improved. These notes are a concentration of credit risk. Additionally, the Organization received approximately 98% of its funding from grants, contracts and contributions.

#### NOTE 10 – RELATED PARTY TRANSACTIONS

The Organization's services are occasionally utilized by members of the board of directors. Such services are provided on the same basis as those provided to the general public. Pursuant to ORS 65.364, no board members may receive loans through the Organization.

#### NOTE 11 – NET ASSETS

Net assets with donor restrictions were as follows as of June 30:

	2020	2019
Specific Purpose		
Early Care and education	\$ 721,880	\$ 642,926
Housing	1,184,118	997,959
Lending	4,648,783	4,371,676
Other	1,227,890	1,270,325
	<u>\$ 7,782,671</u>	<u>\$ 7,282,886</u>

# NEIGHBORIMPACT AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 11 – NET ASSETS – CONTINUED

Net assets without donor restrictions were as follows as of June 30:

	<u>2020</u>	<u>2019</u>
Undesignated	\$ 4,310,341	\$ 3,737,337
Quasi endowment	<u>187,224</u>	<u>183,249</u>
	<u>\$ 4,497,565</u>	<u>\$ 3,920,586</u>

Net assets released from net assets with donor restrictions are as follows:

	<u>2020</u>	<u>2019</u>
Specific Purpose		
Early Care and education	\$ 7,098,627	\$ 5,839,383
Housing	3,601,992	2,803,873
Lending	237,503	182,117
Other	<u>8,998,321</u>	<u>8,264,477</u>
	<u>\$ 19,936,443</u>	<u>\$ 17,089,850</u>

### NOTE 12 – OPERATING LEASE COMMITMENTS

The Organization leased office space in Madras, Oregon from RL Allen Group, LLC. The lease required monthly payments of \$988 through December 2018. The lease was subsequently renewed through December of 2021. The renewed lease requires monthly payments of \$1,008 during the 2019 calendar year, \$1,028 during the 2020 calendar year, and \$1,048 during the 2021 calendar year. Total lease payments of \$12,216 were made for the year ended June 30, 2020.

The Organization leases office space in Bend, Oregon from Deschutes Properties LLC. The lease agreement required monthly payments of \$4,779 through September 2018, at which point the lease was renewed through September 2023. The renewed lease agreement required monthly payments of \$7,402 through March 2019, at which point the Organization added an additional suite to the lease. After this addition, the amended lease agreement requires monthly payments of \$11,242 through September 2019, with an annual increase of 4% through the term of the lease. Total lease payments of \$138,950 were made for the year ended June 30, 2020.

## NEIGHBORIMPACT AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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#### NOTE 12 – OPERATING LEASE COMMITMENTS – CONTINUED

The Organization leases office space in Bend, Oregon from Deschutes Business Center, LLC. The lease required monthly payments of \$1,230 through May 2019, then increased to \$1,267 per month through the term of the lease, which expired in May 2020. This lease was renewed through May of 2025 with monthly payments of \$1,378 through May of 2021 and annual increases thereafter. Total lease payments of \$15,574 were made for the year ended June 30, 2020.

The Organization leases office space in Bend, Oregon, Redmond, Oregon and La Pine, Oregon from the Deschutes Children's Foundation. The East Bend lease requires monthly payments of \$1,443 for the term of the lease, which expired in June 2020. The Redmond lease requires monthly payments of \$1,565 for the term of the lease, which expired in June 2020. The La Pine lease requires monthly payments of \$342 for the term of the lease, which expired in June 2020. These leases were not renewed. Total lease payments made were \$17,316, \$18,780, and \$4,104, respectively, for the year ended June 30, 2020.

The Organization entered into an agreement with PBO LLC in May 2019 to lease office space in Redmond, Oregon. The lease required monthly payments of \$1,850 through September 2019, then increased to \$1,906 per month through the term of the lease, which expires in May 2021. Total lease payments of \$22,704 were made for the year ended June 30, 2020.

The Organization entered into an agreement with Toney Properties LLC in October 2018 to lease office space in Redmond, Oregon. The lease required monthly payments of \$1,601 through September 2019, then annual increases of 3% through the term of the lease, which expires in September 2021. Total lease payments of \$19,715 were made for the year ended June 30, 2020.

The Organization leases office space in Prineville, Oregon from Housing Works. The lease requires annual payments of \$1 for the term of the lease, which expires in July 2037. Total lease payments of \$1 were made for the year ended June 30, 2020.

The Organization entered into an agreement with Nativity Lutheran Church in October 2019 to lease office space in Bend, OR. The lease requires monthly payments of \$808 through December 2019, then increases to \$908 per month through the term of the lease, which expires in December 2020. Total lease payments of \$7,872 were made for the year ended June 30, 2020.

## NEIGHBORIMPACT AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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#### NOTE 12 – OPERATING LEASE COMMITMENTS – CONTINUED

The following is a schedule of future minimum lease payments required under these leases for the next five years:

<u>Year ending June 30,</u>	
2021	\$ 218,435
2022	178,789
2023	173,884
2024	57,296
2025	<u>17,057</u>
	<u>\$ 645,461</u>

#### NOTE 13 – RETIREMENT PLAN

The Organization maintains an IRC Section 403(b) Plan that allows eligible employees to defer tax on part of their compensation. During the years ended June 30, 2020, and 2019, employer pension expense totaled \$238,283 and \$196,009, respectively. Employees are eligible to participate after one year of service. The plan provides for a 5% employer contribution to all plan participants.

The Organization also maintains an IRC 457 defined contribution plan for highly compensated personnel to provide a comparable employer contribution percentage for senior management. The plan had a balance of \$4,149 as of June 30, 2020.

#### NOTE 14 – CONTINGENCIES

##### *Grants*

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 agency. In the opinion of the Organization's management, such disallowances, if any, will not be significant.

##### *Tax Positions*

The Organization is exempt from federal and state income taxes, with the exception of federal taxes for net profits on unrelated business income, under Internal Revenue Code Section 501(c)(3).



# NEIGHBORIMPACT AND AFFILIATE

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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### NOTE 14 – CONTINGENCIES – CONTINUED

#### *Tax Positions – Continued*

Regarding uncertain income tax positions, the Organization will recognize in its financial statements the benefit of a tax position when it believes that tax position will more likely than not be sustained on audit based on the technical merits of the position.

For an exempt organization, uncertain tax positions could result from unrelated business income activities or actions that jeopardize its status as tax-exempt, such as political activity, substantial lobbying expenditures or excessive unrelated business activities. The Organization has concluded that it had no unrecognized income tax benefits at June 30, 2020, or June 30, 2019, and it has no tax positions for which it estimates a significant change over the next 12 months.

The Organization is subject to examination by state and federal tax authorities. With few exceptions, the Organization is no longer subject to examination by major taxing authorities for years before 2016.

### NOTE 15 – FAIR VALUE MEASUREMENT

Accounting principles generally accepted in the United States of America established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active market that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.



## NEIGHBORIMPACT AND AFFILIATE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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#### NOTE 15 – FAIR VALUE MEASUREMENT – CONTINUED

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair values for long-term investments were calculated and provided by Oregon Community Foundation and Merrill Lynch. The investments in the quasi-endowment fund held by Oregon Community Foundation and in the Merrill Lynch brokerage account were Level 2 assets.

#### NOTE 16 – INCREASE IN NET ASSETS

Total net assets as shown in the Consolidating Schedule of Financial Position increased by \$1,076,764 over the one-year period ended June 30, 2020. This increase was driven by the following factors:

Increase in cash and cash equivalents	\$ 226,720
Increase in grants receivable	578,006
Decrease in prepaid expenses and other current assets	(1,881)
Increase in food inventory	16,196
Increase in long-term investments	5,277
Gain from investment in LLC	109,641
Reduction in notes receivable (restricted and other), net of allowances	(19,195)
Increase in net book value of fixed assets	<u>143,271</u>
Increase in total assets	<u>\$ 1,058,035</u>
Decrease in total liabilities	<u>\$ (18,729)</u>

# **NEIGHBORIMPACT AND AFFILIATE**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

JUNE 30, 2020

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### **NOTE 17 – RISKS AND UNCERTAINTIES**

In March 2020, the State of Oregon ordered an emergency shutdown of many non-essential businesses as a result of the spread of the COVID-19 virus. Many of the Organization's activities were deemed essential and continued operations. Several programs expanded operations due to the availability of federal funds and increased need for support in the community. Despite the shutdown, the Organization experienced a marked increase in donor contributions during the fourth quarter of the fiscal year ended June 30, 2020. However, the related economic uncertainties brought about by this pandemic still pose a threat to the ability of many donors to contribute, and the full economic impact of these events is unknown at this time.

### **NOTE 18 – SUBSEQUENT EVENTS**

In November 2020, the Organization was granted forgiveness of its PPP loan.

Subsequent events have been evaluated through December 15, 2020, the date the financial statements were available to be issued.

## **SUPPLEMENTAL INFORMATION**

# NEIGHBORIMPACT AND AFFILIATE

## CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2020

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	2020		
	NeighborImpact	Community Action Foundation of Central Oregon	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 2,068,405	\$ 1,601,847	\$ 3,670,252
Grants receivable	2,272,596		2,272,596
Prepaid expenses and other current assets	4,871		4,871
Food inventory	115,293		115,293
<b>TOTAL CURRENT ASSETS</b>	<b>4,461,165</b>	<b>1,601,847</b>	<b>6,063,012</b>
<b>OTHER ASSETS</b>			
Beneficial interest in Oregon Community Foundation	32,507		32,507
Investment in mutual funds	187,535		187,535
Investment in LLC	244,150		244,150
NeighborHood Reinvestment Corporation notes receivable, net of allowance	1,138,291		1,138,291
Other notes receivable, net of allowance	2,742,222		2,742,222
<b>TOTAL OTHER ASSETS</b>	<b>4,344,705</b>		<b>4,344,705</b>
<b>FIXED ASSETS, net of accumulated depreciation</b>	<b>1,892,532</b>	<b>378,438</b>	<b>2,270,970</b>
<b>TOTAL ASSETS</b>	<b>\$ 10,698,402</b>	<b>\$ 1,980,285</b>	<b>\$ 12,678,687</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 73,795	\$	\$ 73,795
Accrued expenses	238,870		238,870
Current portion of long-term debt			
<b>TOTAL CURRENT LIABILITIES</b>	<b>312,665</b>		<b>312,665</b>
<b>LONG-TERM DEBT, net of current portion</b>			
<b>OTHER LIABILITIES - Paycheck Protection Program (PPP) loan</b>	<b>85,786</b>		<b>85,786</b>
<b>TOTAL LIABILITIES</b>	<b>398,451</b>		<b>398,451</b>
<b>NET ASSETS</b>			
Without donor restrictions	2,517,280	1,980,285	4,497,565
With donor restrictions	7,782,671		7,782,671
<b>TOTAL NET ASSETS</b>	<b>10,299,951</b>	<b>1,980,285</b>	<b>12,280,236</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 10,698,402</b>	<b>\$ 1,980,285</b>	<b>\$ 12,678,687</b>

2019

<u>NeighborImpact</u>	<u>Community Action Foundation of Central Oregon</u>	<u>Total</u>
\$ 1,830,746	\$ 1,612,786	\$ 3,443,532
1,694,590		1,694,590
6,752		6,752
99,097		99,097
<u>3,631,185</u>	<u>1,612,786</u>	<u>5,243,971</u>
31,516		31,516
183,249		183,249
134,509		134,509
1,191,261		1,191,261
2,708,447		2,708,447
<u>4,248,982</u>		<u>4,248,982</u>
1,735,759	391,940	2,127,699
<u>\$ 9,615,926</u>	<u>\$ 2,004,726</u>	<u>\$ 11,620,652</u>
\$ 197,478	\$	\$ 197,478
197,087		197,087
4,215		4,215
<u>398,780</u>		<u>398,780</u>
18,400		18,400
<u>417,180</u>		<u>417,180</u>
1,915,860	2,004,726	3,920,586
7,282,886		7,282,886
<u>9,198,746</u>	<u>2,004,726</u>	<u>11,203,472</u>
<u>\$ 9,615,926</u>	<u>\$ 2,004,726</u>	<u>\$ 11,620,652</u>

# NEIGHBORIMPACT AND AFFILIATE

## CONSOLIDATING SCHEDULE OF REVENUES AND EXPENSES YEAR ENDED JUNE 30, 2020 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	Management and General	Fundraising	Early Care and Education	Energy	Housing	Food Bank Services	Home Ownership Center
<b>SUPPORT AND REVENUE</b>							
Federal grants	\$ 72,029	\$	\$ 3,476,337	\$ 1,882,580	\$ 1,979,921	\$ 111,283	\$ 265,961
State and local grants	18,747		3,471,877	1,276,344	1,607,606	142,377	178,022
Contributions - cash	440,786	1,042,211	68,917	15,819	131,771	190,477	162,360
Contributions - noncash			111,185			3,466,695	4,569
Program revenue	66,852	57,531	21,416	10	100		51,266
Investment income	7,784	8,225				35	347
Income from investment in LLC	109,641						
Other revenue	3,097		6,070		600		
Net assets, released from restriction							
<b>Total support and revenues</b>	<b>718,936</b>	<b>1,107,967</b>	<b>7,155,802</b>	<b>3,174,753</b>	<b>3,719,998</b>	<b>3,910,867</b>	<b>662,525</b>
<b>EXPENSES</b>							
<b>Personnel services:</b>							
Salaries and wages	989,280	144,185	3,567,682	362,553	548,562	270,718	310,761
Payroll taxes and benefits	232,892	43,599	1,398,774	122,933	139,041	91,456	102,152
Administration	(1,022,091)	42,645	522,499	97,185	108,438	54,705	91,211
<b>Total personnel expenses</b>	<b>200,081</b>	<b>230,429</b>	<b>5,488,955</b>	<b>582,671</b>	<b>796,041</b>	<b>416,879</b>	<b>504,124</b>
<b>Materials and services:</b>							
Printing	8,990	14,564	13,861	7,894	3,098	415	2,768
Office expense	96,755	26,023	97,000	12,539	69,135	14,975	6,581
Interest	736						
Insurance	13,575		48,059		5,448	16,692	820
Professional fees	67,789		823		53		
Contract services	77,144	30,902	61,153	804	302,646	1,097	16,481
Repairs and maintenance	37,058		95,831	142	28,961	17,525	142
Client assistance	12,739	4,206	518,237	2,485,734	2,120,146	3,600,689	24,186
Transportation and lodging	31,853	1,873	81,034	7,217	20,431	14,886	18,381
Rent	124,399		216,661	8,495	155,191		5,051
Janitorial	20,353		2,952	668	4,549	2,100	668
Utilities and telephone	49,160	338	78,661	4,442	26,368	4,517	2,989
Training and recruitment	16,011	3,000	72,382	360	4,253	603	4,572
Dues and other fees	43,089	9,292	19,612	6,032	510	1,024	1,361
Loss from investment in LLC							
Other							
Administration	(454,446)	18,961	232,315	43,211	48,214	24,323	40,555
<b>Total materials and services</b>	<b>145,205</b>	<b>109,159</b>	<b>1,538,581</b>	<b>2,577,538</b>	<b>2,789,003</b>	<b>3,698,846</b>	<b>124,555</b>
<b>Total expenses</b>	<b>345,286</b>	<b>339,588</b>	<b>7,027,536</b>	<b>3,160,209</b>	<b>3,585,044</b>	<b>4,115,725</b>	<b>628,679</b>
<b>CHANGE IN NET ASSETS, before transfer and depreciation</b>	<b>373,650</b>	<b>768,379</b>	<b>128,266</b>	<b>14,544</b>	<b>134,954</b>	<b>(204,858)</b>	<b>33,846</b>
Transfer (to) from other funds	(198,385)	(364,241)	21,779	2,343	68,153	483,367	(75,638)
Depreciation and amortization	(1,960)		(71,091)		(16,948)	(30,224)	
<b>CHANGE IN NET ASSETS</b>	<b>173,305</b>	<b>404,138</b>	<b>78,954</b>	<b>16,887</b>	<b>186,159</b>	<b>248,285</b>	<b>(41,792)</b>
<b>NET ASSETS - Beginning of year</b>	<b>1,234,552</b>	<b>267,558</b>	<b>642,926</b>	<b>25,805</b>	<b>997,959</b>	<b>495,318</b>	<b>701,443</b>
<b>NET ASSETS - End of year</b>	<b>\$ 1,407,857</b>	<b>\$ 671,696</b>	<b>\$ 721,880</b>	<b>\$ 42,692</b>	<b>\$ 1,184,118</b>	<b>\$ 743,603</b>	<b>\$ 659,651</b>

Lending	Neighborhood Reinvestment Fund Capital	Weatherization	CSBG and Community Relations	Rep Payee	Total NeighborImpact	Community Action Foundation of Central Oregon	Totals	
							2020	2019
\$ 75,000	\$	\$ 460,838 508,528	\$ 302,194	\$ 57,340	\$ 8,626,143 7,260,841 2,052,341 3,582,449 249,065 112,744 109,641 9,767	\$ 50,188	\$ 8,626,143 7,311,029 2,052,341 3,582,449 249,065 115,922 109,641 46,079	\$ 6,737,118 7,248,414 1,241,309 2,829,042 196,138 105,656 5,366 34,923
225,561	(225,561)					36,312		
400,830	(225,561)	1,015,630	303,904	57,340	22,002,991	89,678	22,092,669	18,397,966
112,739 29,169 25,696		219,749 74,259 44,926	175,169 45,829 31,345	20,250 5,145 3,441	6,721,648 2,285,249		6,721,648 2,285,249	5,599,599 1,985,186
167,604		338,934	252,343	28,836	9,006,897		9,006,897	7,584,785
1,825 4,841		2,548 8,135	167 8,246	107 3,711	56,237 347,941 736		56,237 347,941 736	50,319 233,438 1,277
500 7,766 383		6,003 242 2,850 621,753	2,051 1,550	1,231	94,379 76,431 492,402 182,509 9,424,921	181	94,379 76,612 492,402 182,509 9,424,921	87,517 61,815 497,752 200,991 8,246,466
37,231 1,973		8,318 20,451 2,030	14,138	818	200,922 530,248 33,320		200,922 530,248 33,320	314,479 266,330 24,988
232 3,715 8		6,007 5,936 3,937	698 5,181 5,593		173,412 116,013 90,496		173,412 116,013 90,496	159,345 122,797 80,179
				38				50,498
11,425		19,975	13,937	1,530		40,381	40,381	13,081
69,899		708,185	51,561	7,435	11,819,967	40,562	11,860,529	10,411,272
237,503		1,047,119	303,904	36,271	20,826,864	40,562	20,867,426	17,996,057
163,327	(225,561)	(31,489)		21,069	1,176,127	49,116	1,225,243	401,909
113,780		(5,857)			51,158 (126,080)	(51,158) (22,399)	(148,479)	(133,450)
277,107	(225,561)	(37,346)		21,069	1,101,205	(24,441)	1,076,764	268,459
4,371,676	225,561	235,948			9,198,746	2,004,726	11,203,472	10,935,013
\$ 4,648,783	\$ -	\$ 198,602	\$ -	\$ 21,069	\$ 10,299,951	\$ 1,980,285	\$ 12,280,236	\$ 11,203,472

See notes to financial statements



## **SINGLE AUDIT COMPLIANCE**

**INDEPENDENT AUDITORS' 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

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 and Affiliate (the Organization), which comprise the statement of financial position as of June 30, 2020, 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 December 15, 2020.

**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 NeighborImpact's internal control.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. 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.

**INDEPENDENT AUDITORS' 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* – CONTINUED**

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization'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*.

**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. This 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.

*Price Fronek & Co.*

December 15, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
NeighborImpact

**Report on Compliance for Each Major Federal Program**

We have audited NeighborImpact's (the Organization), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2020. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization'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 the audit requirements of Title 2 United States Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above, could have a direct and material effect on each of the major federal programs occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE – CONTINUED**

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 the Organization's compliance.

**Unmodified Opinion on Compliance**

In our opinion, the Organization 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, 2020.

**Report on Internal Control Over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each 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 the Uniform Guidance, 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 the Organization'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 a 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE – CONTINUED**

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Price Frunk & Co.*

December 15, 2020



## NEIGHBORIMPACT AND AFFILIATES

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2020

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#### SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements of NeighborImpact (the Organization).
2. No material weaknesses in internal control over financial reporting were identified during the audit of the financial statements.
3. No instances of noncompliance required to be reported under *Government Auditing Standards* were identified during the audit of the consolidated financial statements.
4. No deficiencies in internal control over compliance considered to be material weaknesses were identified during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for the Organization expresses an unmodified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs for the Organization are reported in this Schedule.
7. The programs and clusters of programs tested as major programs were:
  - 10.568 & 10.569 – Food Distribution Cluster
  - 21.019 – Coronavirus Relief Fund
  - 93.600 – Head Start and Early Head Start
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Organization was determined to be a low-risk auditee.

#### FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

#### FINDINGS – FINANCIAL STATEMENT AUDIT

None

## **NEIGHBORIMPACT AND AFFILIATES**

### **STATUS OF PRIOR YEAR (2019) FINDINGS YEAR ENDED JUNE 30, 2020**

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No prior year findings

# NEIGHBORIMPACT AND AFFILIATES

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Department of Energy				
Passed through Oregon Housing and Community Services				
Weatherization Assistance	81.042	DE-EE0007945	\$ 129,378	\$
BPA Weatherization	81.XXX	83358	143,714	
Subtotal Department of Energy			273,092	
Department of Treasury				
Passed through Department of Housing and Urban Development				
NeighborWorks America	21.113	R-NEC-2018-48450	208,657	
Passed through Oregon Housing and Community Services				
Coronavirus Relief Fund	21.019	N/A	704,505	
Passed through State of Oregon/Deschutes County				
Coronavirus Relief Fund	21.019	N/A	50,000	
Passed through State of Oregon/City of Bend/Deschutes County				
Coronavirus Relief Fund	21.019	N/A	50,000	
Subtotal Coronavirus Relief Fund			804,505	
Subtotal Department of Treasury			1,013,162	
Department of Health and Human Services				
Head Start	93.600	10CH10090-05-00	2,484,407	
Passed through Oregon Housing and Community Services				
Housing Stabilization Program (TANF)	93.558	2001ORTANF	121,068	
Low-income Energy Assistance (LIHEAP)	93.568	2001ORLIEA	2,078,464	
Community Services Block Grant	93.569	G-1901ORCOSR	302,194	
Passed through Oregon Department of Education				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	11171	52,828	
Child Care and Development Block Grant	93.575	12217	585,546	
Passed through Oregon Department of Human Services				
Child Care and Development Block Grant	93.575	156435	74,716	
Subtotal Child Care and Development Block Grant			660,262	
Subtotal Child Care and Development Fund Cluster			713,090	
Subtotal Department of Health and Human Services			5,699,223	
Department of Agriculture				
Passed through Oregon Food Bank				
Temporary Emergency Food Assistance Program Admin Costs	10.568	T19R12	65,863	
Temporary Emergency Food Assistance Program Food Commodities (non-cash)	10.569	T20R12	1,514,717	
Subtotal Food Distribution Cluster			1,580,580	
Trade Mitigation Program	10.178	TEFAP-R12	40,331	
Passed through Oregon Department of Education				
Child and Adult Care Food Program	10.558	0903003	178,840	
Passed through High Desert Food and Farm Alliance				
Community Food Projects	10.225	N/A	2,914	
Subtotal Department of Agriculture			1,802,665	
Department of Housing and Urban Development				
Supportive Housing Program	14.267	OR0147L0E031703	618,724	
Passed through NeighborWorks America				
Housing Counseling	14.169	G-OUT-2020-56770	28,022	
Passed through Oregon Housing and Community Services				
Emergency Shelter Grant Program	14.231	E19-DC-41-0001	200,498	103,750
Home TBA	14.239	M-18-SG-41-0100	231,126	
Passed through the City of Bend				
Community Development Block Grant - Bend HOC	14.218	B-19-MC-41-0010	36,041	
Subtotal Department of Housing and Urban Development			1,114,411	103,750
Department of Labor				
Passed through Oregon Higher Education Coordinating Commission				
WIOA Dislocated Worker Formula Grants	17.278	AA-33251-19-55A-41	8,238	
Subtotal Department of Labor			8,238	
			\$ 9,910,791	\$ 103,750

## NEIGHBORIMPACT AND AFFILIATES

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2019

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#### **Note A - Basis of Presentation**

The accompanying schedule of federal awards (the Schedule) includes the federal award activity of NeighborImpact (the Organization) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 United States Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization it is not intended to and does not present the financial position, change in net assets or cash flows of the Organization.

#### **Note B - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

#### **Note C - Indirect Cost Rate**

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

#### **Note D - Federal Loan Programs**

There were no amounts of loans or loan guarantees related to federal awards outstanding at year end.