

**NEIGHBORIMPACT**

**FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**  
YEAR ENDED JUNE 30, 2022

# NEIGHBORIMPACT

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
NeighborImpact  
Redmond, Oregon

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of NeighborImpact (a nonprofit organization) (the Organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NeighborImpact as of June 30, 2022, 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.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NeighborImpact and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NeighborImpact's ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control–related matters that we identified during the audit.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the 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 U.S. 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022, 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 solely 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.

**Report on Summarized Comparative Information**

We have previously audited the Organization's June 30, 2021, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Price Frunk & Co.

December 20, 2022

## **FINANCIAL STATEMENTS**

# NEIGHBORIMPACT

## STATEMENT OF FINANCIAL POSITION JUNE 30, 2022 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 8,162,728	\$ 3,671,150
Grants receivable	2,722,026	3,098,299
Prepaid expenses and other current assets	948	4,474
Food inventory	210,061	154,258
<b>TOTAL CURRENT ASSETS</b>	<b>11,095,763</b>	<b>6,928,181</b>
<b>OTHER ASSETS</b>		
Beneficial interest in Oregon Community Foundation	34,379	41,778
Investments in mutual funds	183,334	251,471
Investments - equity method	950,046	929,709
NeighborHood Reinvestment Corporation notes receivable, net of allowance	1,228,883	1,154,390
Down Payment Assistance notes receivable, net of allowance	453,079	416,671
Other notes receivable, net of allowance	2,840,786	2,698,698
<b>TOTAL OTHER ASSETS</b>	<b>5,690,507</b>	<b>5,492,717</b>
<b>FIXED ASSETS, net of accumulated depreciation</b>	<b>4,133,900</b>	<b>4,006,189</b>
<b>TOTAL ASSETS</b>	<b>\$ 20,920,170</b>	<b>\$ 16,427,087</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 418,424	\$ 186,116
Accrued expenses	342,625	316,294
Escrow liability	139,180	95,466
<b>TOTAL CURRENT LIABILITIES</b>	<b>900,229</b>	<b>597,876</b>
<b>NET ASSETS</b>		
Without donor restrictions	5,476,967	5,727,014
With donor restrictions	14,542,974	10,102,197
<b>TOTAL NET ASSETS</b>	<b>20,019,941</b>	<b>15,829,211</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 20,920,170</b>	<b>\$ 16,427,087</b>

See notes to financial statements

# NEIGHBORIMPACT

## STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2022	2021
<b>SUPPORT AND REVENUE</b>				
Federal grants	\$ 234,580	\$ 27,404,706	\$ 27,639,286	\$ 17,419,225
State and local grants	1,425	12,854,252	12,855,677	15,132,349
Contributions - cash	777,035	1,234,242	2,011,277	3,336,884
Contributions - noncash		3,369,849	3,369,849	3,088,516
Program revenue	164,720		164,720	148,003
Investment income	151,342		151,342	101,020
Income from investment in LLC	(17,026)		(17,026)	4,924
Other revenue	112,691		112,691	248,436
Net assets, released from restrictions	40,422,272	(40,422,272)		
<b>Total Support and Revenues</b>	<b>41,847,039</b>	<b>4,440,777</b>	<b>46,287,816</b>	<b>39,479,357</b>
<b>EXPENSES</b>				
Program services				
Early care and education	12,193,145		12,193,145	11,564,949
Community services	23,219,839		23,219,839	16,343,146
Food bank services	3,973,570		3,973,570	3,052,842
Lending	237,642		237,642	294,291
Support services				
Management and general	1,984,786		1,984,786	1,848,157
Fundraising and community relations	488,104		488,104	846,712
<b>Total Expenses</b>	<b>42,097,086</b>		<b>42,097,086</b>	<b>33,950,097</b>
<b>CHANGE IN NET ASSETS</b>	<b>(250,047)</b>	<b>4,440,777</b>	<b>4,190,730</b>	<b>5,529,260</b>
<b>NET ASSETS - Beginning of year</b>	<b>5,727,014</b>	<b>10,102,197</b>	<b>15,829,211</b>	<b>10,299,951</b>
<b>NET ASSETS - End of year</b>	<b>\$ 5,476,967</b>	<b>\$ 14,542,974</b>	<b>\$ 20,019,941</b>	<b>\$ 15,829,211</b>

See notes to financial statements

# NEIGHBORIMPACT

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	Support Services		Program Services	
	Management and General	Fundraising and Community Relations	Early Care and Education	Community Services
PERSONNEL				
Salaries and wages	\$ 1,071,542	\$ 298,863	\$ 6,112,765	\$ 2,269,497
Payroll taxes and benefits	287,141	77,320	2,176,455	645,616
Total Personnel	1,358,683	376,183	8,289,220	2,915,113
MATERIALS AND SERVICES				
Printing	5,989	23,303	19,424	19,220
Office expenses	128,782	26,461	88,887	119,037
Interest				
Insurance	14,400	153	53,752	17,760
Professional fees	81,495			
Contract services	106,500	8,614	264,251	1,411,436
Repairs and maintenance	52,072	252	130,951	29,312
Client assistance	11,189	15,861	2,341,866	18,031,769
Transportation and lodging	16,678	2,075	56,415	52,847
Rent	39,072	16,281	388,239	273,570
Janitorial	13,349	815	68,262	19,616
Utilities and telephone	55,293	828	133,078	49,802
Training and recruitment	24,981	6,135	176,907	234,577
Dues and fees	65,167	11,143	20,675	12,794
Total Materials and Services	614,967	111,921	3,742,707	20,271,740
Total Expenses Before Depreciation	1,973,650	488,104	12,031,927	23,186,853
Depreciation	11,136		161,218	32,986
TOTAL EXPENSES	\$ 1,984,786	\$ 488,104	\$ 12,193,145	\$ 23,219,839



Program Services		Totals	
Food Bank Services	Lending	2022	2021
\$ 334,159	\$ 95,518	\$ 10,182,344	\$ 8,928,946
107,374	26,084	3,319,990	2,913,443
441,533	121,602	13,502,334	11,842,389
888	2,356	71,180	90,057
17,142	5,667	385,976	689,731
			964
16,221	609	102,895	85,435
	1,453	82,948	83,491
869	272	1,791,942	1,280,835
63,600	194	276,381	328,231
3,330,454	90,351	23,821,490	18,013,332
18,943	341	147,299	59,948
	12,634	729,796	682,398
4,525	631	107,198	40,233
4,697	1,076	244,774	232,031
2,695	433	445,728	223,572
1,587	23	111,389	120,671
3,461,621	116,040	28,318,996	21,930,929
3,903,154	237,642	41,821,330	33,773,318
70,416		275,756	176,779
\$ 3,973,570	\$ 237,642	\$ 42,097,086	\$ 33,950,097

See notes to financial statements

# NEIGHBORIMPACT

## STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,190,730	\$ 5,529,260
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation expense	275,756	176,779
(Income) loss from equity investments	(20,337)	(685,559)
Non-cash investment (income) loss	6,663	(9,921)
Non-cash donation of property and equipment		(100,000)
Paycheck Protection Program loan forgiveness		(85,786)
Changes in operating assets and liabilities		
Grants receivable	376,273	(825,703)
Notes receivable	(252,989)	(389,246)
Prepaid expenses	3,526	397
Food inventory	(55,803)	(38,965)
Accounts payable	232,308	112,321
Accrued expenses	26,331	77,424
Escrow liability	43,714	95,466
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,826,172	3,856,467
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of investments	68,873	650
Purchase of property and equipment	(403,467)	(2,190,436)
Purchase of investments		(63,936)
NET CASH USED IN INVESTING ACTIVITIES	(334,594)	(2,253,722)
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,491,578	1,602,745
CASH AND CASH EQUIVALENTS - Beginning of year	3,671,150	2,068,405
CASH AND CASH EQUIVALENTS - End of year	\$ 8,162,728	\$ 3,671,150

See notes to financial statements

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Organization*

NeighborImpact 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 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. NeighborImpact maintains offices and classroom sites in the communities of Bend, La Pine, Madras, Prineville, Redmond and Warm Springs.

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

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

Food – NeighborImpact provides food through operation of the regional food bank, collecting food and redistributing it through approximately 56 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. NeighborImpact is the local distribution partner of the Oregon Food Bank and Feeding America. In addition to partner distributions, NeighborImpact also conducts direct distributions at six sites using its mobile pantry.

Community Services – NeighborImpact also provides transitional housing and emergency housing assistance, operates shelters for the homeless, 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 (Individual Development Accounts - IDA), NeighborImpact helps individuals save for home ownership, education and small business investments as well as other needs. The IDA program is operated in partnership with Neighborhood Partnerships, which is authorized by the Oregon Housing and Community Services Department to sell legislatively authorized state income tax credits to fund the IDA program. NeighborImpact is a Financial Administrator for the program and also a local partner.

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

#### *Organization – Continued*

NeighborImpact operates a Representative Payee program which assists individuals who need assistance in administering their financial affairs due to cognitive or physical limitations.

Early Care and Education – NeighborImpact operates Head Start and Early Head Start in Crook and Deschutes Counties. A total of 515 children attend Head Start in 27 classrooms (in 12 locations), plus four 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. NeighborImpact 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. NeighborImpact operates the Childcare Resources program, which provides training, technical assistance, business support and childcare subsidies to childcare providers throughout Central Oregon. The division coordinates training and education for the region's childcare system and providers, develops childcare workforce, provides business coaching to childcare businesses. This division also administers the local Childcare Development Block Grant.

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 rehabilitation of community facilities such as senior centers. NeighborImpact also helped distribute resources to aid and provide assistance in response to public health and wildfire emergencies. NeighborImpact engages in housing development through a partnership with Housing Works, the regional housing authority (see separate description). NeighborImpact also supports community development through lending.

Lending to Income Qualified Individuals – Separate from the programs discussed above, NeighborImpact offers low-cost and deferred loans to income-qualified homeowners and individuals to preserve and rehabilitate property, replace failing wells and septic systems, and provide down payment assistance and closing cost loans.

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

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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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. As a result, the financial statements for CAFCO are no longer consolidated as an affiliate of NeighborImpact. CAFCO also receives and distributes grants supporting NeighborImpact and other nonprofit organizations with missions that further the mission of NeighborImpact.

NeighborImpact is the majority partner of Housing Impact, a nonprofit LLC comprised of NeighborImpact 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.

NeighborImpact 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.

NeighborImpact is a member of the NeighborWorks America network. There are approximately 240 NeighborWorks organizations nationwide, including 6 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.

NeighborImpact 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. NeighborImpact receives food commodities through its affiliation with FeedingAmerica and the Oregon Food Bank.

Resource Development – NeighborImpact is supported in part through community donations. NeighborImpact 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

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

#### ***Organization – Continued***

enhancement and to underwrite administrative costs (including fundraising costs) not permitted to be funded by federal and state funding. A significant portion of donated resources is accounted for by donations of food.

As part of its Resource Development Program, NeighborImpact 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. NeighborImpact also maintains a Board designated quasi-endowment. Principal from the quasi-endowment is preserved, except as directed by NeighborImpact'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.

#### ***Basis of Accounting***

The accompanying 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 NeighborImpact 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 NeighborImpact. These net assets may be used at the discretion of NeighborImpact's management and the board of directors.

**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 NeighborImpact 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.



# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

#### *Income Taxes*

NeighborImpact is a not-for-profit corporation which has been granted tax-exempt status under IRC Section 501(c)(3). In addition, NeighborImpact has been determined by the Internal Revenue Services (IRS) not to be a private foundation within the meaning of Section 509(a) of the code. Accordingly, these statements do not reflect a provision for income taxes. The tax return for NeighborImpact is subject to examination by the IRS generally for three years after they were filed.

#### *Support and Revenue*

NeighborImpact primarily generates revenues from federal and state grants as well as charitable contributions. Additional revenue sources include program fees and investment income.

NeighborImpact recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

The majority of NeighborImpact's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when NeighborImpact has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Both 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, when 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 statement of activities as net assets released from restrictions.

NeighborImpact recognizes revenue from program fees at the time program services are rendered. Program fees are considered to be exchange transactions as the fees collected approximate the fair value of the services provided. Program revenue includes fees received for various programs including events, early care and education, home ownership, and lending.

Investment income is earned primarily as interest from the lending program and investments in mutual funds. These investments are presented at fair value and income is recorded based on the change in fair value over time.

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

#### ***Support and Revenue – Continued***

NeighborImpact also receives income from an equity investment in HousingWorks for real estate development and rental activity, and lease income from an equity investment in the Community Action Foundation of Central Oregon.

#### ***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 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 at below market rates through supportive services agreements. Non-cash donated use of facilities revenues and the related occupancy costs are 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 \$101,850 for the year ended June 30, 2022.

#### ***Estimates***

The preparation of 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 statement of cash flows, NeighborImpact 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 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 net assets with donor restrictions in accordance with grantor requirements.

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

#### *Investments*

NeighborImpact 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.

#### *Functional Allocation of Expenses*

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.

The cost of providing various programs and other activities has been summarized on a functional basis in the 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 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 \$1,761,881, and related accumulated depreciation of \$611,672 as of June 30, 2022, 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.

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

#### ***Property and Equipment – Continued***

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. NeighborImpact capitalizes all property and equipment with a purchase price of greater than \$5,000 and a useful life of greater than one year.

#### ***New Accounting Pronouncements***

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 NeighborImpact's fiscal year ended June 30, 2023, at which point NeighborImpact will adopt the new standard.

#### ***Reclassifications***

Certain prior year amounts have been reclassified to conform with current year presentation.

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

### NOTE 2 – AVAILABILITY AND LIQUIDITY

The following represents NeighborImpact's financial assets at June 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 8,162,728	\$ 3,671,150
Grants receivable	2,722,026	3,098,299
Beneficial interest in Oregon Community Foundation	34,379	41,778
Investment in mutual funds	<u>183,334</u>	<u>251,471</u>
 Total financial assets	 <u>11,102,467</u>	 <u>7,062,698</u>
 Less amounts not available to be used within one year:		
Net assets with donor restrictions	14,542,974	10,102,197
Less net assets with purpose restrictions to be met in less than one year	(7,644,126)	(4,499,938)
Beneficial interest in Oregon Community Foundation	34,379	41,778
Quasi-endowment established by the board	<u>183,334</u>	<u>251,471</u>
 Total amounts not available:	 <u>7,116,561</u>	 <u>5,895,508</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 3,985,906</u>	 <u>\$ 1,167,190</u>

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

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

As of June 30, 2022, NeighborImpact estimated it had seventy-two days of cash on hand. In the event of a closure, NeighborImpact would likely suspend client assistance payments. Under these circumstances, NeighborImpact estimated it had one hundred twenty-seven days of cash on hand as of June 30, 2022.

As of June 30, 2022, the balance of cash without donor restrictions was \$1,263,879.

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

Cash paid for interest totaled \$0 and \$964 during the years ended June 30, 2022, and 2021, respectively. NeighborImpact paid no income taxes during either year ended June 30, 2022, and 2021.

### NOTE 4 – INVESTMENTS – EQUITY METHOD

NeighborImpact holds a 51% ownership interest in Housing Impact LLC, an Oregon limited liability company. Although NeighborImpact holds a majority interest in this company, the minority owner, Central Oregon Regional Housing Authority, dba Housing Works, makes all management decisions. As such, NeighborImpact'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>2022</u>	<u>2021</u>
Balance Sheet Data:		
Total assets	\$ 2,237,890	\$ 2,287,260
Total liabilities	<u>(1,682,564)</u>	<u>(1,698,551)</u>
Members' capital	<u>\$ 555,326</u>	<u>\$ 588,709</u>
Statement of Operations Data:		
Revenues	\$ 97,074	\$ 97,458
Expenses	<u>(130,457)</u>	<u>(120,335)</u>
Net income	<u>\$ (33,383)</u>	<u>\$ (22,877)</u>

The information above is audited as part of the audit of the minority owner. Recognized in NeighborImpact revenue is their 51% ownership share of Housing Impact's net loss in the amount of \$17,025 for the year ended June 30, 2022. NeighborImpact received no distributions in 2022.

NeighborImpact deconsolidated the financial statements of CAFCO during the fiscal year-ended June 30, 2021, but retains a 100% interest in the former affiliate's net assets. NeighborImpact reports the investment in accordance with the equity method of accounting for investments.



# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

### NOTE 4 – INVESTMENTS – EQUITY METHOD – CONTINUED

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

	<u>2022</u>	<u>2021</u>
Balance Sheet Data:		
Total assets	\$ 937,709	\$ 963,334
Total liabilities	<u>(219,712)</u>	<u>(282,700)</u>
Members' capital	<u>\$ 717,997</u>	<u>\$ 680,634</u>
Statement of Operations Data:		
Revenues	\$ 266,478	\$ 40,757
Expenses	<u>(229,115)</u>	<u>(1,340,408)</u>
Net income	<u>\$ 37,363</u>	<u>\$ (1,299,651)</u>

### NOTE 5 – NOTES RECEIVABLE

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

	<u>2022</u>	<u>2021</u>
NeighborHood Reinvestment Corporation Loans - various interest rates, secured by real estate	\$ 1,265,579	\$ 1,188,555
Allowance for doubtful accounts	<u>(36,696)</u>	<u>(34,165)</u>
Net of allowance	<u>\$ 1,228,883</u>	<u>\$ 1,154,390</u>

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

### NOTE 5 – NOTES RECEIVABLE – CONTINUED

Down Payment Assistance notes receivable consisted of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Down Payment Assistance Loans - various interest rates, secured by real estate	\$ 463,271	\$ 426,044
Allowance for doubtful accounts	<u>(10,192)</u>	<u>(9,373)</u>
Net of allowance	<u>\$ 453,079</u>	<u>\$ 416,671</u>

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

	<u>2022</u>	<u>2021</u>
Housing Assistance Loans, principal due subject to certain restrictions, various interest rates, secured by real estate, various maturities.	\$ 2,805,506	\$ 2,642,630
HW Madras Limited Liability Company, principal due subject to certain restrictions, interest at 4.75%, secured by real estate, due November 2026.	<u>88,182</u>	<u>106,087</u>
	2,893,688	2,748,717
Allowance for doubtful accounts	<u>(52,902)</u>	<u>(50,019)</u>
Net of allowance	<u>\$ 2,840,786</u>	<u>\$ 2,698,698</u>

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

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

### NOTE 5 – NOTES RECEIVABLE – CONTINUED

The allowance for doubtful accounts and related financing receivables consisted of the following as of June 30, 2022:

	Home Preservation	Septic Repair	Down Payment Assistance	Closing Cost Assistance	Micro Enterprise	Unallocated	Total
<b>Allowance for doubtful accounts:</b>							
Beginning balance	\$ 41,981	\$ 4,533	\$ 45,810	\$ 749	\$ 484	\$ -	\$ 93,557
Charge-offs							
Recoveries							
Provisions	3,517	204	2,453	35	24		6,233
Ending balance	\$ 45,498	\$ 4,737	\$ 48,263	\$ 784	\$ 508	\$ -	\$ 99,790
<b>Financing receivables:</b>							
Ending balance	\$ 2,557,601	\$ 148,258	\$ 1,784,321	\$ 25,035	\$ 19,141	\$ 88,182	\$ 4,622,538

An aging analysis of past due financing receivables as of June 30, 2022, 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	\$ -	\$ -	\$ -	\$ -	\$ 2,557,601	\$ 2,557,601	\$ -
Septic Repair					148,258	148,258	
Down Payment Assist.	857	1,596	12,236	14,689	1,754,943	1,784,321	
Closing Cost Assistance			471	471	24,093	25,035	
Micro Enterprise	732			732	17,677	19,141	
Unallocated					88,182	88,182	
	\$ 1,589	\$ 1,596	\$ 12,707	\$ 15,892	\$ 4,590,754	\$ 4,622,538	\$ -

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.

Due to the financial uncertainties presented to borrowers as a result of the COVID-19 pandemic, all loans placed in deferred status as of June 30, 2021 are still in deferred status currently. Because of the nature of these loan programs, most loans were already considered current due to other deferred payment qualifications.

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

### NOTE 6 – PROPERTY AND EQUIPMENT

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

	<u>2022</u>	<u>2021</u>
Land	\$ 697,974	\$ 697,974
Buildings	2,714,898	2,442,472
Leasehold improvements	984,425	883,688
Furniture and equipment	576,912	566,922
Roads and landscaping	133,401	120,653
Vehicles	1,265,829	1,265,829
Construction in process	<u>24,033</u>	<u>16,467</u>
	6,397,472	5,994,005
Accumulated depreciation	<u>(2,263,572)</u>	<u>(1,987,816)</u>
	<u>\$ 4,133,900</u>	<u>\$ 4,006,189</u>

### NOTE 7 – CONCENTRATIONS OF CREDIT RISKS

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. NeighborImpact 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.

NeighborImpact provides down payment and housing rehabilitation loans primarily to low and moderate income individuals. Notes receivable totaling \$4,622,538 are secured by property purchased or improved. These notes are a concentration of credit risk. Additionally, NeighborImpact received approximately 99% of its funding from grants and contributions.

### NOTE 8 – RELATED PARTY TRANSACTIONS

NeighborImpact'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 NeighborImpact.

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

### NOTE 8 – RELATED PARTY TRANSACTIONS – CONTINUED

NeighborImpact leases office space in Redmond, Oregon from CAFCO. NeighborImpact also provides significant accounting and operational support to CAFCO.

### NOTE 9 – NET ASSETS

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

	<u>2022</u>	<u>2021</u>
Specific Purpose		
Early care and education	\$ 2,304,797	\$ 2,199,241
Housing	1,512,149	1,821,078
Lending	4,950,953	4,814,794
Other	5,775,075	1,267,084
	<u>\$ 14,542,974</u>	<u>\$ 10,102,197</u>

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

	<u>2022</u>	<u>2021</u>
Undesignated	\$ 5,293,633	\$ 5,475,543
Quasi endowment	183,334	251,471
	<u>\$ 5,476,967</u>	<u>\$ 5,727,014</u>

Net assets released from net assets with donor restrictions are as follows for the year ended June 30:

	<u>2022</u>	<u>2021</u>
Specific Purpose		
Early care and education	\$ 13,270,737	\$ 11,847,685
Housing	16,057,542	3,523,431
Lending	257,685	330,385
Other	10,836,308	17,019,740
	<u>\$ 40,422,272</u>	<u>\$ 32,721,241</u>

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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### NOTE 10 – OPERATING LEASE COMMITMENTS

NeighborImpact leased office space in Madras, Oregon from RL Allen Group, LLC. The lease required monthly payments of \$1,048 during the 2021 and 2022 calendar year. The lease expires in December 2025. Total lease payments of \$12,576 were made for the year ended June 30, 2022.

NeighborImpact leases office space in Bend, Oregon from Deschutes Properties LLC. The lease required monthly payments of \$12,646, with an annual increase of 4% through the term of the lease which expires September 2023. Total lease payments of \$150,288 were made for the year ended June 30, 2022.

NeighborImpact leases office space in Bend, Oregon from Deschutes Center, LLC. The lease required monthly payments of \$1,419 through May 2022, with an annual increase of 3% through May of 2025 when the lease expires. Total lease payments of \$17,072 were made for the year ended June 30, 2022.

NeighborImpact leases office space in Redmond, Oregon from PBO LLC. The lease requires monthly payments of \$1,906 through May 2023 when the lease expires. Total lease payments of \$22,866 were made for the year ended June 30, 2022.

NeighborImpact leases office space from Toney Properties LLC in Redmond, Oregon. The lease requires monthly payments of \$2,260 through September 2022, increasing annually by 3% through September 2024 when the lease expires. Total lease payments of \$25,477 were made for the year ended June 30, 2022.

NeighborImpact 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, 2022.

NeighborImpact leases office space in Bend, Oregon from Nativity Lutheran Church. The lease requires monthly payments of \$950 through December 2021. The lease was renewed in January of 2022 at a rate of \$979 per month through the end of the term in December of 2023. Total lease payments of \$11,574 were made for the year ended June 30, 2022.

NeighborImpact entered into an agreement with LaPine Parks and Recreation District in April 2021 to lease classroom space in LaPine, Oregon. The lease requires monthly payments of \$800 through December 2021, then annual increases of 3% through the term of the lease, which expires in December 2025. Total lease payments of \$9,744 were made for the year ended June 30, 2022.

NeighborImpact also entered into a one-year agreement with LaPine Parks and Recreation District in September 2021 to lease office space in LaPine, Oregon. The lease requires monthly payments of \$900 through the end of the term. NeighborImpact renewed this lease for 5 years beginning September 2022, with monthly payments of \$900 increasing by 3% every January first through the term of the lease, which expires August 2027. Total lease payments of \$10,800 were made for the year ended June 30, 2022.



# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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### NOTE 10 – OPERATING LEASE COMMITMENTS – CONTINUED

NeighborImpact entered into an agreement with Bonnett Properties LLC in April 2021 to lease office space in Bend, Oregon. This triple-net lease requires monthly payments of \$1,875 through April of 2022, then increases to \$1,931 per month through April of 2023, and finally increases to \$1,989 per month through the remaining term of the lease, which expires in March 2024. Total lease payments of \$22,613 were made for the year ended June 30, 2022.

NeighborImpact also entered into a nine-month agreement with Bonnett Properties LLC in April 2021 to lease office space in Bend, Oregon. The lease requires monthly payments of \$4,800 through December 2021. Total lease payments of \$28,800 were made for the year ended June 30, 2022.

NeighborImpact entered into an agreement with the Community Action Foundation of Central Oregon in January of 2021 to lease office space in Redmond, Oregon. This triple-net lease requires monthly payments of \$5,275 through December of 2025. Total lease payments of \$63,300 were made for the year ended June 30, 2022.

NeighborImpact entered into an agreement with Sonberg Company LLC in January of 2021 to lease office space in LaPine, Oregon. The lease requires monthly payments of \$895 through December of 2022. Total lease payments of \$5,370 were made for the year ended June 30, 2022.

NeighborImpact entered into an agreement with the International Church of the Foursquare Gospel in June of 2022 to lease classroom space in Bend, Oregon. The lease requires monthly payments of \$630 through June of 2025. Total lease payments of \$7,560 were made for the year ended June 30, 2022.

NeighborImpact entered into a lease agreement with Prineville Church of the Nazarene in November 2020. The lease required monthly payments of \$800 through the term of the lease which expired in December 2021. NeighborImpact renewed this lease which requires monthly payments of \$875 through December 2022 when the lease expires. Total lease payments \$9,975 were made for the year ended June 30, 2022.

NeighborImpact leases office space in Bend, Redmond, and La Pine, Oregon from Deschutes Children's Foundation under four lease agreements. These leases require monthly payments ranging from \$431 to \$1,565 through the terms of the leases which all expire in June 2022. Three of these leases were renewed in July 2022 requiring monthly payments ranging from \$431 to \$1,600. Total lease payments under these leases of \$48,763 were made for the year ended June 30, 2022.

NeighborImpact entered into a lease agreement with the Redmond School District in September 2020. The lease requires monthly payments of \$875 through the term of the lease which expires in August 2030. Total lease payments of \$8,750 were made for the year ended June 30, 2022.

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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### NOTE 10 – OPERATING LEASE COMMITMENTS – CONTINUED

NeighborImpact entered into a lease agreement with the State of Oregon Department of Human Services in October 2021. The lease required monthly payments of \$800 through the end of lease term, expiring September 2022. NeighborImpact renewed this lease in October 2022 with monthly payments of \$800 through September 2023, when the lease expires. Total lease payments under this lease were \$9,600 for the year ended June 30, 2022.

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>	
2023	\$ 427,564
2024	266,658
2025	162,928
2026	79,197
2027	22,227
Thereafter	<u>35,276</u>
	<u>\$ 993,850</u>

### NOTE 11 – RETIREMENT PLAN

NeighborImpact maintains an IRC Section 403(b) Plan that allows eligible employees to defer tax on part of their compensation. During the year ended June 30, 2022, employer pension expense totaled \$380,770. Employees are eligible to participate after one year of service. The plan provides for a 5% employer contribution to all plan participants.

NeighborImpact 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 \$34,091 as of June 30, 2022.

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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### NOTE 12 – CONTINGENCIES

#### *Grants*

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

#### *Tax Positions*

NeighborImpact 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). Regarding uncertain income tax positions, NeighborImpact 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. NeighborImpact has concluded that it had no unrecognized income tax benefits at June 30, 2022, and it has no tax positions for which it estimates a significant change over the next 12 months.

NeighborImpact is subject to examination by state and federal tax authorities. With few exceptions, NeighborImpact is no longer subject to examination by major taxing authorities for years before 2018.

### NOTE 13 – 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 NeighborImpact 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;

# NEIGHBORIMPACT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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### NOTE 13 – FAIR VALUE MEASUREMENT – CONTINUED

- 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.

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 14 – INCREASE IN NET ASSETS

Total net assets as shown in the Schedule of Financial Position increased by \$4,190,730 over the one-year period ended June 30, 2022. This increase was driven by the following factors:

Increase in cash and cash equivalents	\$ 4,491,578
Decrease in grants receivable	(376,273)
Decrease in prepaid expenses and other current assets	(3,526)
Increase in food inventory	55,802
Decrease in long-term investments	(75,536)
Gain from equity method investments	20,338
Increase in notes receivable (restricted and other), net of allowances	252,989
Increase in net book value of fixed assets	<u>127,711</u>
Increase in total assets	<u>\$ 4,493,083</u>
Increase in total liabilities	<u>\$ 302,353</u>

# **NEIGHBORIMPACT**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022**

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### **NOTE 15 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 20, 2022, the date the financial statements were available to be issued.

## **SUPPLEMENTAL INFORMATION**

# NEIGHBORIMPACT

## SCHEDULE OF REVENUES AND EXPENSES YEAR ENDED JUNE 30, 2022 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	Management and General	Fundraising	Early Care and Education	Energy	Housing	Food Bank Services
SUPPORT AND REVENUE						
Federal grants	\$	\$	\$ 5,428,334	\$ 3,323,601	\$ 13,302,552	\$ 3,316,515
State and local grants			7,734,762	1,490,755	1,845,297	124,784
Contributions - cash		1,302,479	17,325	24,193	84,772	322,508
Contributions - noncash		11,010	119,810			3,239,029
Program revenue	45,170	(31,434)	11,294		95,437	199
Investment income	6,151	20,502	30	20		318
Income from investment in LLC	(17,026)					
Other revenue	7,969		675	100	43,796	58,782
Total support and revenues	42,264	1,302,557	13,312,230	4,838,669	15,371,854	7,062,135
EXPENSES						
Personnel services:						
Salaries and wages	1,071,542	298,863	6,112,765	474,332	844,034	334,159
Payroll taxes and benefits	287,141	77,320	2,176,455	153,286	217,023	107,374
Administration	(1,306,741)	39,229	786,146	83,611	169,602	65,315
Total personnel expenses	51,942	415,412	9,075,366	711,229	1,230,659	506,848
Materials and services:						
Printing	5,989	23,303	19,424	9,266	2,943	888
Office expense	128,782	26,461	88,887	37,513	40,412	17,142
Interest						
Insurance	14,400	153	53,752	320	9,572	16,221
Professional fees	81,495					
Contract services	106,500	8,614	264,251	1,463	1,381,008	869
Repairs and maintenance	52,072	252	130,951	736	22,909	63,600
Client assistance	11,189	15,861	2,341,866	3,820,039	12,946,504	3,330,454
Transportation and lodging	16,678	2,075	56,415	2,708	15,972	18,943
Rent	39,072	16,281	388,239	43,235	141,594	
Janitorial	13,349	815	68,262	2,599	9,635	4,525
Utilities and telephone	55,293	828	133,078	7,411	28,520	4,697
Training and recruitment	24,981	6,135	176,907	15,628	140,581	2,695
Dues and other fees	65,167	11,143	20,675	6,556	53	1,587
Administration	(484,447)	14,543	291,446	30,997	62,877	24,215
Total materials and services	130,520	126,464	4,034,153	3,978,471	14,802,580	3,485,836
Total expenses	182,462	541,876	13,109,519	4,689,700	16,033,239	3,992,684
CHANGE IN NET ASSETS, before transfer and depreciation	(140,198)	760,681	202,711	148,969	(661,385)	3,069,451
Transfer (to) from other funds	(62,245)	(544,215)	59,139	4,479	376,759	755,490
Depreciation and amortization	(11,136)		(161,218)		(24,303)	(70,416)
CHANGE IN NET ASSETS	(213,579)	216,466	100,632	153,448	(308,929)	3,754,525
NET ASSETS - Beginning of year	3,355,779	978,388	2,204,165	86,802	1,821,078	814,444
NET ASSETS - End of year	\$ 3,142,200	\$ 1,194,854	\$ 2,304,797	\$ 240,250	\$ 1,512,149	\$ 4,568,969

Home Ownership Center	Lending	Weatherization	CSBG and Community Relations	Rep Payee	Community Development	COVID-19 Response	Totals	
							2022	2021
\$ 327,172	\$ 222,840	\$ 1,150,855	\$ 383,809	\$	\$ 94,071	\$ 89,537	\$ 27,639,286	\$ 17,419,225
1,041,892	15,000	479,083		124,104			12,855,677	15,132,349
235,000	25,000						2,011,277	3,336,884
							3,369,849	3,088,516
37,328	6,726						164,720	148,003
39	124,278		2		2		151,342	101,020
							(17,026)	4,924
		1,369					112,691	248,436
1,641,431	393,844	1,631,307	383,811	124,104	94,073	89,537	46,287,816	39,479,357
357,777	95,518	252,760	193,533	61,422	30,598	55,041	10,182,344	8,928,946
107,362	26,084	78,415	49,333	16,736	8,011	15,450	3,319,990	2,913,443
66,040	14,622	43,824	24,950	5,332	2,456	5,614		
531,179	136,224	374,999	267,816	83,490	41,065	76,105	13,502,334	11,842,389
1,197	2,356	3,977	1,795	42			71,180	90,057
10,517	5,667	19,338	9,589	1,662		6	385,976	689,731
								964
286	609	5,786	965	517	314		102,895	85,435
	1,453						82,948	83,491
8,973	272	1,682	18,269	41			1,791,942	1,280,835
612	194	4,645	333	77			276,381	328,231
116,190	90,351	1,117,561			22,218	9,257	23,821,490	18,013,332
6,880	341	15,602	8,964	671	93	1,957	147,299	59,948
35,885	12,634	25,915	21,887	5,054			729,796	682,398
2,400	631	3,640	1,090	252			107,198	40,233
5,146	1,076	5,208	2,578	810		129	244,774	232,031
22,385	433	33,983	21,937	63			445,728	223,572
2,006	23	3,688	238	3	250		111,389	120,671
24,483	5,421	16,247	9,250	1,977	910	2,081		
236,960	121,461	1,257,272	96,895	11,169	23,785	13,430	28,318,996	21,930,929
768,139	257,685	1,632,271	364,711	94,659	64,850	89,535	41,821,330	33,773,318
873,292	136,159	(964)	19,100	29,445	29,223	2	4,466,486	5,706,039
7,264		500				(597,171)	(275,756)	(176,779)
		(8,683)						
880,556	136,159	(9,147)	19,100	29,445	29,223	(597,169)	4,190,730	5,529,260
944,342	4,814,794	181,945	-	27,549	2,756	597,169	15,829,211	10,299,951
\$ 1,824,898	\$ 4,950,953	\$ 172,798	\$ 19,100	\$ 56,994	\$ 31,979	\$ -	\$ 20,019,941	\$ 15,829,211

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 financial statements of NeighborImpact (the Organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 20, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the 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 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 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.

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.

**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**

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's 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 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 Frunk & Co.*

December 20, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors  
NeighborImpact

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

***Opinion on Each Major Federal Program***

We have audited NeighborImpact's (the Organization) compliance with the types of compliance requirements identified as subject to audit 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, 2022. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE – CONTINUED**

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE – CONTINUED**

We are required to communicate with those charged with governance regarding, among other things, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Fronk & Co.

December 20, 2022

# NEIGHBORIMPACT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2022

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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:
  - 21.023 – Emergency Rental Assistance Program
  - 93.568 – Low-Income Home Energy Assistance Program
  - 14.231 – Emergency Solutions Grant Program
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**

### **STATUS OF PRIOR YEAR (2021) FINDINGS YEAR ENDED JUNE 30, 2022**

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No prior year findings



# NEIGHBORIMPACT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2022

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	\$ 325,296	\$
BPA Weatherization	81.XXX	88993	157,649	
Subtotal Department of Energy			482,945	
Department of Treasury				
Passed through Department of Housing and Urban Development				
NeighborWorks America	21.113	G-NEC-2020-56233	77,924	
COVID-19 NeighborWorks America	21.113	R-PRI-2021-63424	20,000	
Subtotal NeighborWorks America			97,924	
Passed through Oregon Housing and Community Services				
Emergency Rental Assistance Program	21.023	ERA-2101123321	11,802,223	197,191
Passed through State of Oregon/Deschutes County				
Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP1796	129,156	
Passed through State of Oregon/City of Bend				
Coronavirus State and Local Fiscal Recovery Funds	21.027	32200308	39,421	
Subtotal Department of Treasury			12,068,724	197,191
Department of Health and Human Services				
Head Start	93.600	10CH01188301	2,160,049	
COVID-19 American Rescue Plan Act Head Start	93.600	10HE00116501C6	145,152	
Subtotal Head Start			2,305,201	
Passed through Oregon Department of Human Services				
Housing Stabilization Program (TANF)	93.558	170042-1	119,935	
Passed through Oregon Housing and Community Services				
Housing Stabilization Program (TANF)	93.558	2101ORTANF	178,611	
Subtotal Housing Stabilization Program (TANF)			298,546	
Low-Income Home Energy Assistance (LIHEAP)	93.568	2202ORLIEA	1,467,374	
COVID-19 Low-Income Home Energy Assistance (LIHEAP)	93.568	2102ORESC6	2,267,355	
Subtotal Low-Income Home Energy Assistance (LIHEAP)			3,734,729	
Low-Income Household Water Assistance (LIHWA)	93.499	2102ORLWC5	10,333	
COVID-19 Low-Income Household Water Assistance (LIHWA)	93.499	2102ORLWC6	32,957	
Subtotal Low-Income Household Water Assistance (LIHWA)			43,290	
Community Services Block Grant	93.569	2102ORCOSR	362,009	
COVID-19 Community Services Block Grant	93.569	2001ORCSC3	62,820	
Subtotal Community Services Block Grant			424,829	
Passed through Oregon Department of Education				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	12217	25,809	
Child Care and Development Block Grant	93.575	22010RCCDF	2,461,567	
Passed through Oregon Department of Human Services				
Child Care and Development Block Grant	93.575	171348-0	89,197	
Subtotal Child Care and Development Block Grant			2,550,764	
Subtotal Child Care and Development Fund Cluster			2,576,573	
Subtotal Department of Health and Human Services			9,383,168	

# NEIGHBORIMPACT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Department of Agriculture				
Passed through Oregon Food Bank				
Temporary Emergency Food Assistance Program Admin Costs	10.568	163126	112,304	
Temporary Emergency Food Assistance Program Food Commodities (non-cash)	10.569	T19R12	961,312	
Subtotal Food Distribution Cluster			1,073,616	
Passed through Oregon Department of Education				
Child and Adult Care Food Program	10.558	0903003	262,559	
Passed through Rural Development Department				
USDA Rural Development	10.433	13097588	39,659	
Passed through High Desert Food and Farm Alliance				
Community Food Projects	10.225	N/A	7,110	
Subtotal Department of Agriculture			1,382,944	
Department of Housing and Urban Development				
Continuum of Care	14.267	OR0051L0E032013	616,522	
Passed through NeighborWorks America				
Housing Counseling	14.169	N/A	23,361	
Passed through Oregon Housing and Community Services				
Emergency Solutions Grant Program	14.231	E-20-DW-41-0001	1,080,416	397,831
Home TBA	14.239	M-21-SG-41-0100	222,001	
Passed through the City of Bend				
Community Development Block Grant - Bend HOC	14.218	B-20-MC-41-0010	74,995	
Passed through the City of Madras				
CDBG Business Grants	14.228	B-20-DW-41-0001	24,100	
Subtotal Department of Housing and Urban Development			2,041,395	397,831
			\$ 25,359,176	\$ 595,022

# NEIGHBORIMPACT

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2022

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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, 2022. 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.