



## 2012 Annual Report



NeighborWorks® Provo ("NWP") is a 501(c)(3) non-profit organization which works in partnership with residents, government and private businesses. NWP is a member of the national NeighborWorks network and, as such, receives support from NeighborWorks America. The organization consists of a volunteer Board of Directors, volunteer committees and a paid staff. NWP offices are located in Provo and serve all of Utah County.

NWP was founded in 1994 and was originally called Neighborhood Housing Services of Provo. The name was changed in 2009. The precursor to NWP was an organization called TNT or Townhall Neighbors Together which was formed by residents of the Franklin neighborhood to help stop a general deterioration of the neighborhood.

The mission statement of NWP is:

NeighborWorks Provo improves neighborhoods by promoting and providing education on the pathways to homeownership, providing affordable housing solutions, improving housing quality, upgrading and maintaining high quality rentals and promoting neighborhood pride and unity.

The percentage of homeowners in a neighborhood has a tremendous impact on the desirability of the neighborhood. We work to *increase homeownership* by:

- Changing the public's perception of the neighborhoods
- Transforming renters into homeowners
- Teaching pre-purchase homebuyer education workshops
- Assisting families in keeping their homes through foreclosure prevention counseling, post purchase counseling and reverse mortgage counseling
- Helping families understand their personal finances through budget counseling and credit repair counseling

Neighborhoods of choice are visually appealing. *Improving housing quality* involves increasing the safety and attractiveness of both the inside and outside of structures, as well as of the surrounding environment. We help achieve this by:

- Replacing blighted structures with newly constructed, safe, attractive units
- Rehabilitating run-down or problem properties for sale or rent
- Assisting residents in coordinating beautification projects (i.e. Paint Your Heart Out etc.)
- Working to increase safety in general (i.e. porch lights, mobile watch, police picnics)

Friendly neighbors, who know each other and who work together to address community issues, are vital ingredients in desirable neighborhoods. We work to achieve this by:

- Providing and facilitating community projects (i.e. beautification projects, police picnics, neighborhood visioning etc.).

- Providing leadership opportunities and leadership training (i.e. sending residents to national training institutes).
- Educate and support efforts to create positive changes in local laws and ordinances.

### 2012 Major Accomplishments

- + We're one of the leading HUD certified organization preventing foreclosure in Utah
- + We have saved more than 121 homes from foreclosure
- + Implemented HUD certified Reverse Mortgage Counseling for clients statewide and have assisted 78 senior in learning about this product
- + Graduated 50 individuals from our homebuyers education classes
- + Logged over 500 hours of community volunteer time
- + Completed 15 service projects involving house painting, yard cleanup and more
- + We have invested in excess of \$950,000 on creation of affordable housing
- + We have 18 affordable rental homes in our portfolio, and 5 more under construction
- + NWP became the first Utah recipient of the Neighborhood Stabilization Program funding

### NeighborWorks Provo 2012 Financial Statements

Previous and current revenue sources consist of NWP staff identifying and submitting grant proposals to public and private entities whose interests and values complement our organization and program goals. Some local, state and federal funding for capital projects can be revolved into operational funds or maintained within the organization for revolving capital monies after the initial project completion. Since NWP came into being, NeighborWorks America has been a major source of operational and capital funding. They have provided us with over \$2,000,000 and continue to be a major funder.

Some capital grant funds such as CDBG, CHDO and HOME are attained through Provo City Government. Those funds are paid back in full to the city minus a small amount for administrative services and construction fees. NWP also works with financial institutions using commercial loans to fund housing development projects. The financial institutions are a major portion of the donations we receive that fund operational expenses. Interest income, developer fees, foundation and corporation donations and individual contributions make up a portion of revenue sources as well. NWP has been successful in gaining sufficient grants and donations to maintain current operations, and have made adjustments to our annual budget to minimize spending.

**NEIGHBORWORKS PROVO, INC.**

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2012

**ASSETS**

Current Assets		
Cash	\$388,823	
Receivables	100,428	
Prepaid Expenses	1,749	
Loans Receivable Current Portion (Net of Allowance)	17,686	
Loans Receivable - Equity Share	36,397	
Property Held for Resale	5,545,182	
Total Current Assets		\$6,090,265
Fixed Assets		
Equipment	50,387	
Accumulated Depreciation	(28,534)	
Total Fixed Assets		21,853
Other Assets		
Long Term Notes Receivable ( Net of Current Portion)	170,207	
Deposits	15,769	
Total Other Assets		185,976
Total Assets		<u>\$6,298,094</u>

**LIABILITIES AND NET ASSETS**

Current Liabilities		
Accounts Payable	\$5,253	
Accrued Liabilities	16,179	
Line of Credit Payable	23,047	
Construction Loans Payable	4,228,659	
Note Payable	1,733	
Total Current Liabilities		\$4,274,871
Long Term Liabilities		
Deposits	14,309	
Note Payable	3,817	
Total Long Term Liabilities		18,126
Total Liabilities		4,292,997
Net Assets		
Unrestricted	341,913	
Temporarily Restricted Assets	40,000	
Permanently Restricted	1,623,184	
Total Net Assets		<u>2,005,097</u>
Total Liabilities and Net Assets		<u>\$6,298,094</u>

*See accompanying notes.*

**NEIGHBORWORKS PROVO, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Revenue, Gains &amp; Other Support:</b>				
Contributions	\$110,266	\$ -	\$ -	\$110,266
Grants	143,472	-	197,407	340,879
Fees	114,398	-	-	114,398
Interest	10,649	-	1,211	11,860
Other Income	9,823	-	144,030	153,853
Total Revenue, Gains & Other Support	<u>388,608</u>	<u>-</u>	<u>342,648</u>	<u>731,256</u>
<b>Expenses and Losses:</b>				
Management and General	17,001	-	2,147	19,148
Home Preservation and Promotion	151,906	-	-	151,906
Neighborhood Projects	42,196	-	-	42,196
Home Construction	173,004	-	119,179	292,183
Fundraising	37,977	-	-	37,977
Buyers Assistance	-	-	358,062	358,062
Transfer to Other Government Entity	-	-	271,523	271,523
Total Expenses and Losses	<u>422,085</u>	<u>-</u>	<u>750,911</u>	<u>1,172,996</u>
Change in Net Assets	<u>(33,477)</u>	<u>-</u>	<u>(408,263)</u>	<u>(441,740)</u>
Net Assets - Beginning of Year	484,389	40,000	1,922,448	2,446,837
Prior Period Adjustment	(108,999)	-	108,999	-
Adjusted Net Assets - Beginning of Year	<u>375,390</u>	<u>40,000</u>	<u>2,031,447</u>	<u>2,446,837</u>
Net Assets - End of Year	<u>\$341,913</u>	<u>\$ 40,000</u>	<u>1,623,184</u>	<u>\$2,005,097</u>

*See accompanying notes.*

# NEIGHBORWORKS PROVO, INC.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2012

Cash Flows From Operating Activities:		
Change in Net Assets		(\$441,740)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) in Operating Activities:		
Depreciation		9,523
(Increase) Decrease in Receivables		28,393
(Increase) Decrease in Loans Receivable		49,386
(Increase) Decrease in Prepaid Expenses		66
(Increase) Decrease in Property Held for Resale		638,711
(Increase) Decrease in Other Assets		-
Increase (Decrease) in Accounts Payable		(36,071)
Increase (Decrease) in Accrued Liabilities		(6,493)
Increase (Decrease) in Other Liabilities		4,461
Net Cash Provided (Used) By Operating Activities		<u>\$246,236</u>
Cash Flows From Investing Activities		-
Cash Flows from Financing Activities:		
Net Proceeds from issuance of construction debt	\$ (153,740)	
Net proceeds from equity share line of credit	180	
Principal payments on note payable	(1,617)	
Purchase of capital assets	(5,000)	
Net Cash Provided from Financing Activities		<u>(160,177)</u>
Net Increase (Decrease) in Cash		86,059
Cash Balance - Beginning of Year		<u>302,764</u>
Cash Balance - End of Period		<u><u>\$388,823</u></u>

*See accompanying notes.*