

NEIGHBORHOOD CONCEPTS INC



BUILDING STRONGER COMMUNITIES

Annual Report

2019

**Building Strong
Communities
since 1988**

Messages from our Chair & Executive Director

Families and communities thrive when they have access to opportunity. At Neighborhood Concepts we focus first on the most basic of opportunities, a safe place to call home, as we feel this is the foundation on which a family builds, grows and reaches self-sustainability. Once safely housed, we provide opportunities for training, fellowship and community building. Recognizing that strong neighborhoods need more than affordable housing, our CDFI-certified revolving loan fund offers access to capital to entrepreneurs and businesses hoping to locate in these communities. I'm proud of the holistic approach that Neighborhood Concepts takes to community development and excited about the plans that we have to further support strong communities with opportunity for all.

Joanna Broad White
Board Chairwoman



We recognize that the strategies needed to accomplish our values and principles change over time, and we will remain flexible to adapt to those changes in order to meet our ambitious goals.



2019 brought new challenges to the communities that we serve. Some of our larger cities experienced unprecedented growth further exacerbating the need for affordable housing for working families and seniors while also driving up the cost to build new homes. Smaller communities, particularly in rural areas, continued to see declining economic conditions and a shrinking pool of quality affordable housing.

Although these challenges limited our impact in 2019, they also caused us to become more resilient and adaptive – identifying creative ways to ensure the delivery of our mission to strengthen communities through the development of affordable housing and the advancement of economic opportunity for underserved people and in underserved places. As we continue to grow and develop new products, we remain committed to providing opportunities for small businesses to thrive and safe places for families to live.

Mary Ellen Judah
Executive Director

Financial Statement 2019



Consolidated Net Assets
8%



Total Grant Revenue
405%



Loan Portfolio Income
66%



Developer Fee Income
814%



Loans Receivable
25%

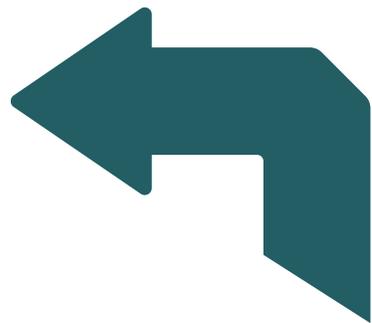


Operating Expense
27%

Statement of Financial Position	2018	2019	Difference	Change
Total Assets	\$ 9,343,765	\$ 8,999,480	\$ (344,285)	-3.68%
Total Liabilities	\$ 7,155,405	\$ 6,639,986	\$ (515,419)	-7.20%
Total Net Assets	\$ 2,278,238	\$ 2,449,378	\$ 171,140	7.51%
Non-Controlling Interest in Subsidiary	\$ (89,878)	\$ (89,884)	\$ (6)	0.01%
Consolidated Net Assets	\$ 2,188,360	\$ 2,359,494	\$ 171,134	7.82%
Total Liabilities and Net Assets	\$ 9,343,765	\$ 8,999,480	\$ (344,285)	-3.68%

Statement of Activities	2018	2019	Difference	Change
Changes in Net Assets without Donor Restrictions	\$ (198,650)	\$ 63,955	\$ 262,605	-132.19%
Total Operating Revenue	\$ 1,105,097	\$ 704,607	\$ (400,490)	-36.24%
Asset Management Fees	\$ 84,696	\$ 104,518	\$ 19,822	23.40%
Contributions	\$ 1,004	\$ 1,367	\$ 363	36.16%
Developer & Consulting Fees	\$ 13,136	\$ 120,102	\$ 106,966	814.30%
Grant Revenue	\$ 15,000	\$ 18,000	\$ 3,000	20.00%
Miscellaneous	\$ 40,908	\$ 19,054	\$ (21,854)	-53.42%
Rental Income	\$ 617,904	\$ 308,447	\$ (309,457)	-50.08%
Special Event	\$ 57,159	\$ -	\$ (57,159)	-100.00%
Net Assets Released	\$ 275,290	\$ 133,119	\$ (142,171)	-51.64%
Total Operating Expense	\$ 1,218,014	\$ 885,260	\$ (332,754)	-27.32%
Operating Expenses in Excess in Revenue	\$ (112,917)	\$ (180,653)	\$ (67,736)	59.99%
Other Income	\$ (85,733)	\$ 244,608	\$ 330,341	-385.31%
Investment in Partnerships	\$ 4,065	\$ (54)	\$ (4,119)	-101.33%
Interest Income	\$ 57,657	\$ 95,988	\$ 38,331	66.48%
Forgiveness of Debt	\$ 8,901	\$ 237,800	\$ 228,899	2571.61%
Interest Expense & Amortization of Deferred Financing Costs	\$ (156,356)	\$ (89,126)	\$ 67,230	-43.00%

Change in Net Assets with Donor Restrictions	2018	2019	Difference	Change
Contributions	\$ 9,400	\$ 750	\$ (8,650)	-92%
Grant Revenue	\$ 52,500	\$ 323,200	\$ 270,700	516%
Net Assets Released from Restriction	\$ (275,290)	\$ (133,119)	\$ 142,171	-52%
Increase in Net Assets Before Effects of Discontinued Operations	\$ (412,040)	\$ 254,786	\$ 666,826	-162%
Discontinued Operations	\$ -	\$ (83,652)	\$ (83,652)	N/A
Increase in Net Assets	\$ (412,040)	\$ 171,134	\$ 583,174	-142%
Net Loss Attributable to Non-Controlling Interest	\$ 5	\$ 6	\$ 1	20%
Change in Net Assets Attributable to NCI and Subsidiaries	\$ (412,035)	\$ 171,140	\$ 583,175	-142%
Consolidated Net Assets as of December 31st	\$ 2,188,360	\$ 2,359,494	\$ 171,134	8%
Loans Receivable	\$ 923,558	\$ 1,155,260	\$ 231,702	25%



Key Performance
Metrics
2018 vs 2019

Mission Statement:

Neighborhood Concepts strengthens communities through the creation of affordable housing and the promotion of economic opportunities for underserved people and communities.

Housing Impact 2019

Building Strong Communities through Affordable Housing



56 Senior Units Under Construction

145 Hours of Resident Service Delivered to 479 LMI Residents

We believe the lack of affordable housing is a pressing social concern and are committed to fostering the creation of safe, decent housing opportunities for all persons.

We believe the first step to achieving self-sufficiency is the ability to obtain shelter and will support programs that will provide basic financial skills and job training in low-to-moderate income communities.

- Financial Literacy
- Elder Law
- Construction Craft Training
- Chair Yoga
- Health Screenings
- Mental Health Workshops
- Weather Safety

Economic Impact 2019

Building Strong Communities through Small Business Lending

35
Loans in
Portfolio

\$1.4
Million
Deployed

42%
Loans to Minority &
Women Owned
Business

In 2015, Neighborhood Concepts' subsidiary revolving loan fund was the first Alabama-based fund to receive certification by U. S. Treasury as a Community Development Financial Institution or CDFI providing access to capital to small businesses who aren't quite ready for traditional financing

We believe that economic independence is vital to developing sustainable communities and will leverage our experience to encourage growth by providing activities directed toward improving the economic condition of underserved people or distressed communities

Funders & Partners 2019

Building Strong Communities through
Partnership

With gratitude and deep appreciation,
we thank all those who supported our
work to strengthen communities

Funders

Alabama Civil Justice Foundation
BancorpSouth
BBVA Foundation
CDFI Fund of U. S. Treasury Department
Enterprise Community Investment
Federal Home Loan Bank of Atlanta
PNC Bank
Regions Bank
Synovus Bank
Wells Fargo

Community Partners

Association of Builders & Contractors, North Alabama Chapter
Huntsville Hospital Mobile Medical Unit
North Alabama Craft Training Foundation
United Way of Madison County
TARCOG
WellStone Behavioral Center

Governance 2019

Building Strong Communities through
Governance & Leadership

2019 board of directors

Joanna Broad White, Chair

John Cook, Vice Chair

Bill McDowell, Secretary

Stephen Norris, Treasurer

Jason Baldwin

Tommie Batts

Philip Dotts

Joe Fuqua

Shawn Hicks

Enorris Johnson

Jordan Kull

Daniel Tait

2019 loan fund advisory committee

Kathy Nelson, Chair

Al Adams, Vice Chair

Harlan Campbell

Brandon Carrin

Rob Culver

Michelle Jordan

Jim Lucas

Stephen Norris

Karen Wynne