NEIGHBORHOOD LENDING PARTNERS

Lifting Communities.

Audited Combined Financial Statements

At March 31, 2022 and 2021 and For the Years Then Ended
With Supplementary Schedules for Fiscal 2022

(Together with Independent Auditors' Report)

Unmodified Opinion on the Combined Financial Statements and Supplementary Schedules

Independent Auditors' Report

Board of Directors
Neighborhood Lending Partners, Inc.
Tampa, Florida:

Opinion

We have audited the accompanying combined financial statements of Neighborhood Lending Partners, Inc. and Affiliates (the "Company"), which comprise the combined statements of financial position as of March 31, 2022 and 2021, and the related combined statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Company as of March 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Company 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a period of one year subsequent to the date of this report.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Company'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statement of financial position at March 31, 2022 and combining statement of activities for the year ended March 31, 2022 are presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and changes in net assets of the individual companies. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined 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 July 11, 2022 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.

Hacker, Johnson & Smith PA

HACKER, JOHNSON & SMITH PA
Tampa, Florida
July 11, 2022

NEIGHBORHOOD LENDING PARTNERS, INC. AND AFFILIATES

Combined Statements of Financial Position

	At March 31, 2022	2021
Assets		
Cash:		
Restricted	$ 21,299,017	16,653,435
Unrestricted	4,678,271	2,525,326
Total cash	25,977,288	19,178,761
Short-term investments - money market funds	744,607	743,874
Cash and cash equivalents	26,721,895	19,922,635
Commercial loans, net of allowance for loan losses of $126,851 and $291,772 in 2022 and 2021	249,097	434,803
Mortgage loans, net of allowance for loan losses of $7,232 and $7,494 in 2022 and 2021	925,342	1,332,298
Mortgage loans, CDFI, net of allowance for loan losses of $15,369 and $7,083 in 2022 and 2021	1,997,270	3,849,056
Mortgage loans, HHRP	4,565,888	4,596,019
Accrued interest receivable	75,164	120,290
Servicing fees receivable	47,415	42,235
Other receivables	46,388	22,569
Property and equipment, net	779,006	812,573
Other assets	598,868	532,809
Total assets	$ 36,006,333	31,665,287
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	774,507	826,021
Neighborhood Stabilization Program payables	7,190,086	6,033,707
Note payable to bank	500,000	500,000
Escrow deposits	9,819,559	7,062,738
Due to Desoto County	3,004,529	3,004,529
Due to member banks	-	77,978
Mortgage note payable	463,237	510,355
Lines of credit	103,075	219,153
Total liabilities	21,854,993	18,234,481
Commitments (Note 3)		
Net assets:		
Without donor restrictions	6,973,967	6,803,433
With donor restrictions	7,177,373	6,627,373
Total net assets	14,151,340	13,430,806
Total liabilities and net assets	$ 36,006,333	31,665,287

See accompanying Notes to Combined Financial Statements.

NEIGHBORHOOD LENDING PARTNERS, INC. AND AFFILIATES

Combined Statement of Activities

Year Ended March 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Neighborhood Stabilization Program income	$ -	612,231	612,231
Grant revenue	104,700	750,000	854,700
Loan servicing fees	807,958	-	807,958
Loan facilitation fees	605,449	-	605,449
Loan prepayment fees	7,047	-	7,047
Interest income loans	149,153	-	149,153
Interest income and other	52,435	-	52,435
Net assets released from restrictions	812,231	(812,231)	-
Total revenues	2,538,973	550,000	3,088,973
Expenses:			
Program services:			
Multifamily	1,240,079	-	1,240,079
Small business	(35,378)	-	(35,378)
NSP2	612,231	-	612,231
Single family	4,377	-	4,377
Supporting services:			
Management and general	447,130	-	447,130
Fundraising	100,000	-	100,000
Total expenses	2,368,439	-	2,368,439
Increase in net assets	170,534	550,000	720,534
Net assets at beginning of year	6,803,433	6,627,373	13,430,806
Net assets at end of year	$ 6,973,967	7,177,373	14,151,340

See accompanying Notes to Combined Financial Statements.

NEIGHBORHOOD LENDING PARTNERS, INC. AND AFFILIATES

Combined Statement of Activities

Year Ended March 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Neighborhood Stabilization Program income	$ -	943,208	943,208
Paycheck Protection Program ("PPP") loan forgiveness	170,017	-	170,017
Grant revenue	37,000	-	37,000
Loan servicing fees	705,237	-	705,237
Loan facilitation fees	464,163	-	464,163
Loan prepayment fees	770,337	-	770,337
Interest income loans	196,313	-	196,313
Interest income and other	10,261	-	10,261
Net assets released from restrictions	2,013,330	(2,013,330)	-
Total revenues	4,366,658	(1,070,122)	3,296,536
Expenses:			
Program services:			
Multifamily	1,093,897	-	1,093,897
Small business	35,561	-	35,561
NSP2	943,208	-	943,208
Single family	5,635	-	5,635
Supporting services:			
Management and general	1,601,187	-	1,601,187
Fundraising	90,000	-	90,000
Total expenses	3,769,488	-	3,769,488
Increase (decrease) in net assets	597,170	(1,070,122)	(472,952)
Net assets at beginning of year	6,206,263	7,697,495	13,903,758
Net assets at end of year	$ 6,803,433	6,627,373	13,430,806

See accompanying Notes to Combined Financial Statements.

NEIGHBORHOOD LENDING PARTNERS, INC. AND AFFILIATES

Combined Statement of Functional Expenses

Year Ended March 31, 2022

	Program Activities					Supporting Activities			
	Multi Family	Small Business	NSP2	Single Family	Total Program	Management and General	Fundraising	Total Supporting	Total
Salaries and employee benefits	$ 897,265	34,753	-	3,292	935,310	381,136	100,000	481,136	1,416,446
Professional fees	95,311	-	-	-	95,311	18,155	-	18,155	113,466
Rental and maintenance	28,870	-	-	-	28,870	5,499	-	5,499	34,369
Office	74,979	-	-	-	74,979	14,282	-	14,282	89,261
Depreciation	28,919	-	-	-	28,919	4,648	-	4,648	33,567
Provision (credit) for loan losses	8,024	(79,187)	-	-	(71,163)	-	-	-	(71,163)
Interest expense	-	9,056	-	1,085	10,141	17,177	-	17,177	27,318
Travel	32,714	-	-	-	32,714	6,233	-	6,233	38,947
Other	73,997	-	612,231	-	686,228	-	-	-	686,228
Total expenses	$ 1,240,079	(35,378)	612,231	4,377	1,821,309	447,130	100,000	547,130	2,368,439

See accompanying Notes to Combined Financial Statements.

NEIGHBORHOOD LENDING PARTNERS, INC. AND AFFILIATES

Combined Statement of Functional Expenses

Year Ended March 31, 2021

	Program Activities					Supporting Activities			
	Multi Family	Small Business	NSP2	Single Family	Total Program	Management and General	Fundraising	Total Supporting	Total
Salaries and employee benefits	$ 776,763	14,393	-	4,222	795,378	461,332	90,000	551,332	1,346,710
Professional fees	88,890	-	-	-	88,890	16,932	-	16,932	105,822
Rental and maintenance	50,784	-	-	-	50,784	9,673	-	9,673	60,457
Office	65,437	149	-	-	65,586	12,315	-	12,315	77,901
Depreciation	29,748	-	-	-	29,748	4,795	-	4,795	34,543
Provision for loan losses	15,164	16,150	-	-	31,314	-	-	-	31,314
Interest expense	-	4,869	-	1,413	6,282	24,885	-	24,885	31,167
Travel	5,941	-	-	-	5,941	1,133	-	1,133	7,074
Return of grant funds	-	-	-	-	-	1,070,122	-	1,070,122	1,070,122
Other	61,170	-	943,208	-	1,004,378	-	-	-	1,004,378
Total expenses	$ 1,093,897	35,561	943,208	5,635	2,078,301	1,601,187	90,000	1,691,187	3,769,488

See accompanying Notes to Combined Financial Statements.

NEIGHBORHOOD LENDING PARTNERS, INC. AND AFFILIATES

Combined Statements of Cash Flows

	Year Ended March 31, 2022	2021
Cash flows from operating activities:		
Increase (decrease) in net assets	$ 720,534	(472,952)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	33,567	34,543
(Credit) provision for loan losses	(71,163)	31,314
PPP loan forgiveness	-	(170,017)
Amortization of deferred loan fees and costs, net	(5,664)	(5,539)
Decrease in accrued interest receivable	45,126	2,238
Increase in servicing fees receivable	(5,180)	(4,691)
(Increase) decrease in other receivables	(23,819)	16,375
Increase (decrease) in Neighborhood Stabilization Program payables	1,156,379	(344,530)
Increase in other assets	(66,059)	(12,745)
(Decrease) increase in accounts payable and accrued expenses	(51,514)	274,695
Increase (decrease) in escrow deposits	2,756,821	(892,515)
Net cash provided by (used in) operating activities	4,489,028	(1,543,824)
Cash flows from investing activities:		
Net commercial loan repayments	250,333	204,385
Net mortgage loan repayments (originations)	408,513	(342,477)
Net mortgage loan repayments - CDFI	1,862,429	741,975
Net mortgage loan repayments - HHRP	30,131	29,484
Net cash provided by investing activities	2,551,406	633,367
Cash flows from financing activities:		
Proceeds from PPP loan	-	170,017
Repayment of loan from the City of St. Petersburg, net	-	(48,523)
Repayment of mortgage note payable	(47,118)	(40,459)
(Decrease) increase in due to member banks	(77,978)	39,945
(Decrease) increase in lines of credit	(116,078)	219,153
Net cash (used in) provided by financing activities	(241,174)	340,133
Net increase (decrease) in cash and cash equivalents	6,799,260	(570,324)
Cash and cash equivalents at beginning of year	19,922,635	20,492,959
Cash and cash equivalents at end of year	$ 26,721,895	19,922,635
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 27,318	31,167
PPP loan forgiveness	$ -	170,117

See accompanying Notes to Combined Financial Statements.

(1) Organization and Summary of Significant Accounting Policies

Organization. Neighborhood Lending Partners, Inc. ("NLP") is a private not-for-profit organization established to arrange for financing and provide technical assistance to facilitate the development of affordable housing, and to otherwise support community development and redevelopment needs. NLP lessened the burden of government jurisdictions by working with public agencies to achieve maximum leverage of public and private dollars and provide technical assistance to project sponsors. NLP is the parent affiliated company for Neighborhood Lending Partners of Florida, Inc. ("NLPF") and Neighborhood Lending Partners of Georgia, Inc. ("NLPG") which was organized on February 12, 2019. NLPF conducts its operations in nineteen counties located in the West Florida area, four South Florida counties, and in forty-four North Florida counties. NLPG's primary market is Georgia.

The only activity of NLP is the operations of its affiliates. NLP, NLPF and NLPG are combined due to common control.

Funding has been received under grants from the Community Development Financial Institutions Fund ("CDFI"), State Housing Initiatives Partnership ("SHIP") funds and Hurricane Housing Recovery Program ("HHRP") funds from local jurisdictions in which NLPF operates. These funds are used to provide second or third mortgage loans in housing developments that provide for low-income families and residents and for residents with "special housing needs."

Subsequent Events. Management has evaluated events occurring subsequent to the balance sheet date through July 11, 2022 (the financial statement issuance date), determining no events require additional disclosure in these combined financial statements.

Basis of Presentation. The accompanying combined financial statements include NLP, NLPF and NLPG (collectively the "Company"). All significant intercompany accounts and transactions have been eliminated.

The accounting and reporting policies of the Company conform to accounting principles generally accepted in the United States of America ("GAAP"). The following summarizes the more significant of these policies and practices.

Estimates. The preparation of combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for loan losses.

(continued)

(1) Organization and Summary of Significant Accounting Policies, Continued

Financial Statement Presentation. The Company is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions. Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Company.

Net Assets With Donor Restrictions. Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Company or by the passage of time.

Restricted Cash. At March 31, 2022, restricted cash represented $3,689,721 of principal, interest and risk-free payments received from borrowers and held on behalf of the local jurisdictions under the CDFI and SHIP programs. In addition, $72,555 was restricted for future loan programs related to the note payable to bank. Also, restricted cash included $9,781,454 of escrow payments received from borrowers. Restricted cash related to the Neighborhood Stabilization Program was $7,190,086. At March 31, 2022, restricted cash includes $565,201 on deposit as a requirement of certain revolving lines of credit.

At March 31, 2021, restricted cash represented $2,946,463 of principal, interest and risk-free payments received from borrowers and held on behalf of the local jurisdictions under the CDFI and SHIP programs. In addition, $51,961 was restricted for future loan programs related to the note payable to bank. Also, restricted cash included $7,062,540 of escrow payments received from borrowers. Restricted cash related to the Neighborhood Stabilization Program was $6,033,707. At March 31, 2021, restricted cash includes $558,764 on deposit as a requirement of certain revolving lines of credit.

Revenue Recognition. All revenues are recognized in accordance with Accounting Standards Codification ASC 606, Revenue from Contracts with Customers ("ASC 606"). Revenue is recognized when: (i) a contract with a customer has been identified, (ii) the performance obligation(s) in the contract have been identified, (iii) the transaction price has been determined, (iv) the transaction price has been allocated to each performance obligation in the contract, and (v) the Company has satisfied the applicable performance obligation over time or at a point in time. Substantially all of the Company's revenue is derived from financial assets which are outside the scope of ASC 606 except for loan facilitation fees which are recognized at loan closing which is the point in time when the performance obligation is satisfied.

(continued)

(1) Organization and Summary of Significant Accounting Policies, Continued

Grants. Grants received are recognized as revenue in the period received at their fair values. The Company also distinguishes between grants received with donor restrictions and without donor restrictions. The expiration of donor-imposed restrictions is recognized in the period in which the restrictions expire. When the grant restriction expires, that is, when the stipulated time restriction ends and the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions. The grants received from counties and cities in connection with the CDFI program will always be classified as net assets with donor restrictions. CDFI program funds are required to be used primarily for affordable housing and economic development.

Cash and Cash Equivalents. Cash and cash equivalents consist of cash on deposit and money market funds in financial institutions with original maturities of less than three months.

Loans. Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off are reported at their outstanding principal adjusted for any charge-offs, the allowance for loan losses, and any deferred fees or costs on originated loans.

Loan origination fees are deferred, and certain direct origination costs are capitalized and recognized as an adjustment of the yield of the related loan. Commitment fees are deferred and amortized over the commitment and loan term using the level yield method. If the commitment expires unexercised, the unamortized fee is recognized in revenue.

The accrual of interest on loans is discontinued at the time the loan is ninety days delinquent unless the loan is well collateralized and in process of collection. In all cases, loans are placed on nonaccrual or charged-off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged-off is reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Loan Losses. The allowance for loan losses on loans made under the CDFI program and loans not funded through corresponding notes payable to member banks is increased by charges to operations and decreased by charge-offs (net of recoveries). Management's periodic evaluation of the adequacy of the allowance is based on the Company's past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral, and current economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. There were no changes in policy or methodology during the years ended March 31, 2022 or 2021.

(continued)

(1) Organization and Summary of Significant Accounting Policies, Continued

Allowance for Loan Losses, Continued. The allowance consists of specific and general components. The specific component relates to loans that are impaired. For such loans, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the loan is lower than the carrying value of that loan. The general component covers all other loans and is based on historical loss experience adjusted for qualitative factors.

The historical loss component of the allowance is determined by historical losses recognized. This is supplemented by risk factors impacting loans such as deterioration of property values and reduced consumer and business spending as a result of unemployment. The historical experience is adjusted for the following qualitative factors, national and local economic conditions, industry conditions, trends in past due and impaired loans, underwriting, lending policies and procedures, and experience of lending personnel and other trends or uncertainties that could affect management's estimate of probable losses.

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest when due. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral-dependent.

Transfer of Financial Assets. Transfers of financial assets or a participating interest in an entire financial asset are accounted for as sales, when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity. A participating interest is a portion of an entire financial asset that (1) conveys proportionate ownership rights with equal priority to each participating interest holder (2) involves no recourse (other than standard representations and warranties) to, or subordination by, any participating interest holder, and (3) does not entitle any participating interest holder to receive cash before any other participating interest holder.

Property and Equipment. Land is carried at cost. Building, furniture, fixtures and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the respective assets. The Company capitalizes property and equipment additions in excess of $1,500.

(continued)

(1) Organization and Summary of Significant Accounting Policies, Continued

Loan Servicing Fees. Loan servicing fees totaled $807,958 and $705,237 for the years ended March 31, 2022 and 2021, respectively. The servicing portfolio totaled approximately $117,190,000 and $105,256,000 at March 31, 2022 and 2021, respectively. Loans serviced for other entities are not included in the accompanying combined statements of financial position.

Loan Facilitation Fees. Loan facilitation fees totaled $605,449 and $464,163 for the years ended March 31, 2022 and 2021, respectively on loans originated by the Company.

Functional Expenses. The costs of providing program services and supporting activities have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated among program services and supporting services. Such allocations are determined by management based on an equitable basis. Salaries and employee benefits are allocated on the basis of employee time records. Other expenses are assigned to specific activities as expenditures are made.

Fair Value Measurements. Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy describes three levels of inputs that may be used to measure fair value:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and model-driven valuations whose inputs are observable or whose significant value drivers are observable. Valuations may be obtained from, or corroborated by, third-party pricing services.

Level 3: Unobservable inputs to measure fair value of assets and liabilities for which there is little, if any market activity at the measurement date, using reasonable inputs and assumptions based upon the best information at the time, to the extent that inputs are available without undue cost and effort.

The following describes valuation methodologies used for assets measured at fair value-

Impaired Loans. Estimates of fair value are determined based on a variety of information, including the use of available appraisals, estimates of market value by licensed appraisers or local real estate brokers and the knowledge and experience of the Company's management related to values of properties in the Company's market areas. Management takes into consideration the type, location and occupancy of the property as well as current economic conditions in the area the property is located in assessing estimates of fair value. Accordingly, fair value estimates for impaired loans are classified as Level 3.

(continued)

(1) Organization and Summary of Significant Accounting Policies, Continued

Reclassifications. Certain reclassifications of prior year amounts were made to conform to the current year presentation.

(2) Loans and the Allowance for Loan Losses

The Company's loan portfolio has two portfolio segments. Commercial real estate loans consist of loans to finance real estate purchases, refinancing, expansions and improvements to commercial properties. These loans are secured by liens on the properties located within the market area. The Company's underwriting analysis includes credit verification, independent appraisals, a review of the borrower's financial condition, and a detailed analysis of the borrower's underlying cash flows. The repayment of these loans largely depends on the results of operations and management of these properties. Adverse economic conditions also affect the repayment ability on commercial real estate loans to a greater extent than residential real estate loans.

Commercial business loans consist of loans to small- and medium-sized companies in the Company's market area. Commercial loans are generally used for working capital purposes or for acquiring equipment, inventory or furniture. Primarily all of the Company's commercial loans are secured loans. The Company's underwriting analysis consists of a review of the financial statements of the borrower, the lending history of the borrower, the debt service capabilities of the borrower, the projected cash flows of the business, the value of the collateral, if any, and whether the loan is guaranteed by the principals of the borrower. Commercial loans are typically made on the basis of the borrower's ability to make repayment from the cash flow of the borrower's business, which makes them of higher risk than real estate loans and the collateral securing these loans may be difficult to appraise and may fluctuate in value based on the success of the business. The Company seeks to minimize these risks through their underwriting standards. Certain commercial loans are also made under the SBA Community Advantage Program.

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Company analyzes loans individually by classifying the loans as to credit risk. This analysis is performed on at least an annual basis. The Company uses the following definitions for risk ratings:

Pass – A Pass loan's primary source of loan repayment is satisfactory, with secondary sources very likely to be realized if necessary.

Special Mention – A Special Mention loan has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in the deterioration of the repayment prospects for the asset or the Company's credit position at some future date. Special Mention loans are not adversely classified and do not expose a company to sufficient risk to warrant adverse classification.

(continued)

(2) Loans and the Allowance for Loan Losses, Continued

Substandard – A Substandard loan is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected.

Doubtful – A loan classified Doubtful has all the weaknesses inherent in one classified Substandard with the added characteristics that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Loss – A loan classified Loss is considered uncollectible and of such little value that continuance as a bankable asset is not warranted. This classification does not mean that the asset has absolutely no recovery or salvage value, but rather it is not practical or desirable to defer writing off this basically worthless asset even though partial recovery may be affected in the future.

Loans are summarized as follows:

	At March 31,	
	2022	2021
Commercial real estate	$ 7,527,724	9,820,346
Commercial	390,509	726,575
	7,918,233	10,546,921
Less:		
Allowance for loan losses	(149,452)	(306,349)
Deferred loan fees, net	(31,184)	(28,396)
Total	$ 7,737,597	10,212,176

The following summarizes the loan credit quality:

	At March 31,	
	2022	2021
Credit Risk Profile by Internally Assigned Grade:		
Grade:		
Pass	$ 6,716,364	8,039,012
Special mention	811,359	1,292,897
Substandard	224,103	841,490
Doubtful	166,407	373,522
Total	$ 7,918,233	10,546,921

(continued)

(2) Loans and the Allowance for Loan Losses, Continued

A summary of the activity in the allowance for loan losses is as follows:

	Commercial Real Estate	Commercial	Total
Year Ended March 31, 2022:			
Beginning balance	$ 14,577	291,772	306,349
Provision (credit) for loan losses	8,024	(79,187)	(71,163)
Charge-off	-	(85,734)	(85,734)
Ending balance [1] [2]	$ 22,601	126,851	149,452
Year Ended March 31, 2021:			
Beginning balance	20,491	238,728	259,219
(Credit) provision for loan losses	(5,914)	37,228	31,314
Recovery	-	15,816	15,816
Ending balance [1] [2]	$ 14,577	291,772	306,349

[1] Includes the allowance for loan losses for mortgage loans and mortgage loans, CDFI (See Note 9).

[2] Includes the allowance for loan losses for loans originated under the SBA Community Advantage Program ("SBA"). As a Community Advantage Lender, the Company is required to maintain minimum reserves equal to 5% of the unguaranteed portion of their portfolio plus an additional 3% of the guaranteed portion of each loan sold. As of March 31, 2022, the Company maintained $45,854 in reserves based on an unguaranteed portion of $45,854 or 100%. As of March 31, 2022, the Company also maintained reserves of $5,347 based on 3% of the guaranteed portion of loans sold in the secondary market. As of March 31, 2021, the Company maintained $64,051 in reserves based on an unguaranteed portion of $153,983 or 41.6%. As of March 31, 2021, the Company also maintained reserves of $15,104 based on 3% of the guaranteed portion of loans sold in the secondary market. As required by the SBA, the Company maintains these reserves in a loan loss reserve deposit account.

At March 31, 2022 and 2021, all loans were current except for three and seven nonaccrual and impaired loans with an outstanding balance of $166,407 and $476,945 and $83,203 and $212,617 of specific reserves, respectively. The average investment in impaired loans was $332,901 and $548,295 and $8,279 and $36,855 of interest income was recognized and received with respect to impaired loans during the years ended March 31, 2022 and 2021, respectively.

(continued)

(3) Property and Equipment, Net

Property and equipment consists of the following:

	At March 31, 2022	At March 31, 2021
Land	$ 153,032	153,032
Building	1,076,511	1,076,511
Furniture and fixtures	146,110	146,110
Equipment	54,991	54,991
Total, at cost	1,430,644	1,430,644
Less accumulated depreciation	(651,638)	(618,071)
Property and equipment, net	$ 779,006	812,573

The Company leases certain office facilities under operating lease agreements. Rent expense was approximately $8,800 and $8,500 for the years ended March 31, 2022 and 2021, respectively. The estimated future lease commitments at March 31, 2022 are as follows:

Year Ending March 31,	Amount
2023	$ 8,065
2024	8,226
2025	4,154
	$ 20,445

(4) Note Payable to Bank and Lines of Credit

The Company entered into an equity equivalent investment agreement with Wells Fargo for $500,000 in order to assist in the extension of loans in support of low to moderate-income households and financially underserved geographic markets, more specifically the financing of affordable housing, community revitalization and 504 SBA loans in the geographic markets of Florida. The note is payable in quarterly interest payments at 2% through March 2024 at which time the unpaid balance is due. The balance outstanding at March 31, 2022 and 2021 was $500,000. In addition, the balance outstanding of loans funded through the note totaled $346,364 and $354,197 at March 31, 2022 and 2021, respectively.

Also, the Company has a $1.0 million revolving line of credit with a bank bearing interest at LIBOR plus 3.25% which matures on July 1, 2022 and requires the maintenance of a minimum depository relationship of $250,000. The balance outstanding at March 31, 2022 and 2021 was $0 and $100,000, respectively.

(continued)

(4) Note Payable to Bank and Lines of Credit, Continued

In addition, the Company entered into a $1 million revolving line of credit with a bank on January 29, 2018 bearing interest equal to the lender's prime rate minus .5% with a floor of 4% and ceiling of 16% (4% at March 31, 2022). The note matures on January 28, 2023 and is collateralized by the assigned interest in the loans the Company funds through the line. As of March 31, 2022 and 2021, the balance outstanding was $103,075 and $119,153, respectively. The Company is required to maintain a minimum depository relationship of $250,000.

(5) Mortgage Note Payable

The Company has a note payable outstanding with a member bank for the funding of their main office building. At March 31, 2022 and 2021, the balance of this note payable was $463,237 and $510,355, respectively. The note is payable in monthly principal and interest payments totaling $5,360 through August 4, 2030 at which time the unpaid balance is due. The note payable bears interest at a fixed rate of 3.5% and is collateralized by a building with a net book value of $624,657 at March 31, 2022.

The estimated future principal commitments at March 31, 2022 on the mortgage note payable are as follows:

Year Ending March 31,	Mortgage Payments
2023	$ 48,725
2024	50,458
2025	52,252
2026	54,111
2027	56,035
Thereafter	201,656
	$ 463,237

(6) Related Party Transactions and Concentrations of Credit Risk

The Company had $26,721,895 and $19,922,635 on deposit with member banks in general operating accounts, payroll accounts, escrow accounts and short-term investment accounts as of March 31, 2022 and 2021, respectively.

(continued)

(7) Tax Status

The Company, based on its Internal Revenue Service determination letter, dated November 13, 1997, is a publicly supported organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying combined financial statements do not include any provision for income taxes.

The Company is required to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. Any interest and penalties recognized associated with a tax position would be accrued in the Company's combined financial statements. Currently, the tax years ended March 31, 2021, 2020 and 2019 are open and subject to examination by the Internal Revenue Service and the Florida Department of Revenue. However, the Company is not currently under audit nor has the Company been contacted by any of these jurisdictions. Based on the evaluation of the Company's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended March 31, 2022 or 2021.

(8) Retirement Plan

The Company has a profit-sharing plan established in accordance with the provisions of Section 401(k) of the Internal Revenue Code. The profit-sharing plan is available to all employees electing to participate after meeting certain length of service requirements. The Company contributed $40,431 and $29,810 to the plan during the years ended March 31, 2022 and 2021, respectively.

(9) Community Development Financial Institutions Program

In fiscal years 2003, 2002 and 1997, the Company was awarded grants, subject to certain conditions, in the amounts of $1,067,000, $2,000,000 and $2,500,000, respectively, from the CDFI which were matched with grants from certain local jurisdictions in which operations are conducted (Hernando, Hillsborough, Pasco, Pinellas, Sarasota and Polk Counties and the Cities of St. Petersburg and Sarasota). The matching funds were provided from the local allocations from the State of Florida's SHIP Funds. All funds, except for those received from the City of St. Petersburg 1997 grant agreement, are used as a revolving loan fund to provide second or third mortgage loans that are needed to meet gap financing requirements in housing developments for low-income families and residents and for "special needs" housing.

Mortgage loans, CDFI, are as follows:

	At March 31, 2022	At March 31, 2021
Mortgage loans	$ 2,043,821	3,884,535
Less:		
Allowance for loan losses	(15,369)	(7,083)
Unamortized loan fees and costs, net	(31,182)	(28,396)
	$ 1,997,270	3,849,056

(continued)

(10) Net Assets With Donor Restrictions

Net assets with donor restrictions are as follows:

Name	At March 31, 2022	2021
CDFI - 1997	$ -	-
Matching funds:		
Polk County	10,800	10,800
Pasco County	696,527	696,527
Hillsborough County	1,315,135	1,315,135
Pinellas County	50,000	50,000
Total	2,072,642	2,072,462
CDFI – 2002	-	-
Matching funds:		
Hillsborough County	1,169,100	1,169,100
City and County of Sarasota	792,275	792,275
Polk County	503,651	503,651
Total	2,465,026	2,465,026
CDFI – 2003	-	-
Matching funds-		
Hernando County	200,000	200,000
CDFI – 2021	550,000	-
CDFI grants	$ 5,287,488	4,737,488
Polk county – HHRP	1,889,885	1,889,885
Other grants	$ 1,889,885	1,889,885
Total net assets with donor restrictions	$ 7,177,373	6,627,373

(continued)

(10) Net Assets With Donor Restrictions, Continued

The matching funds received from the Counties and the City and County of Sarasota are classified as grants and will be maintained as revolving lines to be used for future lending under the program. All principal payments received from borrowers will be retained by the Company and used to fund subsequent loans in the respective counties or cities. All such subsequent loans will require approval of the specific County or City and must be in accordance with the provisions of the CDFI guidelines. Due to the requirement that the Counties and City approve all subsequent loans under these grants, such grants will be recorded as net assets with donor restrictions. The Company retains 50% of all interest collected, a portion of which is to be used for future loan programs and a portion to cover administration costs. The remaining agreements with Counties excluding Hernando County were also modified to allow the Company's portion to be used entirely for administrative costs. The remaining 50% is remitted to the Counties and Cities.

At March 31, 2022 and 2021, principal and interest payments received from borrowers and interest earned but not yet collected from borrowers that is due to local jurisdictions is included in accounts payable and accrued expenses.

The amounts received under the Hurricane Housing Recovery Program ("HHRP") program are classified as grants and will be maintained as revolving lines to be used for future lending under the program. All such subsequent loans will require approval of the specific County and must be in accordance with the provisions of the HHRP guidelines. Due to the requirement that the Counties approve all subsequent loans under these grants, such grants are recorded as net assets with donor restrictions. The Company retains 50% of all interest collected, a portion of which is to be used for future loan programs and a portion to cover administration costs. The remaining 50% is remitted to the Counties. All of the County agreements were modified to allow the Company's portion to be used entirely for administrative costs.

During the year ended March 31, 2022, the Company received $750,000 from the CDFI Rapid Response Program for the purpose of supporting, preparing for and responding to the economic impact of the novel coronavirus in distressed and underserved communities.

During the year ended March 31, 2022, all net assets released from restrictions were subject to expenditure for a specific purpose. During the year ended March 31, 2021, net assets released from restrictions totaling $1,070,122 were returned to Polk County and $943,208 were subject to expenditure for a specified purpose.

(continued)

(11) Neighborhood Stabilization Program 2 ("NSP2")

On February 11, 2010, the Company was awarded a grant, subject to certain conditions, in the amount of $50,000,000 from the Department of Housing and Urban Development ("HUD") under NSP 2. The Company was the lead applicant of a consortium consisting of Pasco County, Florida, Pinellas County, Florida and the Housing Finance Authority of Pinellas County. The Company has entered into agreements with the members of the consortium in accordance with the NSP 2 requirements to determine funding arrangements and allocations. The Company administered the funds and oversaw the NSP 2 activities as defined by the grant. The purpose of NSP 2 was to assist in the redevelopment and rehabilitation of abandoned and foreclosed properties. The NSP 2 grant called for expenditures of 50% of the total initial allocation within two years of the HUD award date and expenditures of 100% of the total initial allocation within three years of the HUD award date. The Company complied with these requirements. The grant had a term of five years which ended in fiscal 2016. Program income earned subsequent to the grant period was $612,231 and $943,208 during the years ended March 31, 2022 and 2021, respectively.

(12) Liquidity

The Company's financial assets available within one year for general expenditures are as follows:

	At March 31,	
	2022	**2021**
Cash - unrestricted	$ 4,678,271	2,525,326
Short-term investments-money market funds	744,607	743,874
Accrued interest receivable	75,164	120,290
Servicing fees receivable	47,415	42,235
Other receivables	46,388	22,569
	$ 5,591,845	3,454,294

The Company's financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year. The Company is required to obtain approval from the board of directors prior to expending short-term investments-money market funds.

The Company's liquidity management policy provides for structuring financial assets to be available as its general expenditures, liabilities and other obligations come due.

(13) Payroll Protection Program ("PPP") Loan

In April 2020, the Company received a $176,017 loan under the PPP. On December 21, 2020, the Company received forgiveness of the PPP loan from the Small Business Administration. The loan forgiveness has been presented as PPP loan forgiveness in the accompanying combined statement of activities for the year ended March 31, 2021.

NEIGHBORHOOD LENDING PARTNERS, INC. AND AFFILIATES

Combining Statement of Financial Position

At March 31, 2022

			NLP of Florida, Inc.				
	NLP	NLPG	NSP	NLP of Florida, Inc.	Total NLP of Florida, Inc.	Eliminations	Combined
Assets							
Cash:							
Restricted	$ 262,865	-	7,190,086	13,846,066	21,036,152	-	21,299,017
Unrestricted	-	-	-	4,678,271	4,678,271	-	4,678,271
Total cash	262,865	-	7,190,086	18,524,337	25,714,423	-	25,977,288
Short-term investments-money market funds	-	-	-	744,607	744,607	-	744,607
Cash and cash equivalents	262,865	-	7,190,086	19,268,944	26,459,030	-	26,721,895
Commercial loans, net	-	-	-	249,097	249,097	-	249,097
Mortgage loans, net	-	-	-	925,342	925,342	-	925,342
Mortgage loans, CDFI, net	-	-	-	1,997,270	1,997,270	-	1,997,270
Mortgage loans, HHRP	-	-	-	4,565,888	4,565,888	-	4,565,888
Accrued interest receivable	-	-	-	75,164	75,164	-	75,164
Servicing fees receivable	-	-	-	47,415	47,415	-	47,415
Other receivables	26,470	-	-	547,844	547,844	(527,926)[b]	46,388
Property and equipment, net	779,006	-	-	-	-	-	779,006
Investment in affiliates	13,988,265	-	-	-	-	(13,988,265)[a]	-
Other assets	520,001	730	-	78,137	78,137	-	598,868
Total assets	$ 15,576,607	730	7,190,086	27,755,101	34,945,187	(14,516,191)	36,006,333
Liabilities and Net Assets							
Liabilities:							
Accounts payable and accrued expenses	962,030	88,658	-	251,745	251,745	(527,926)[b]	774,507
Neighborhood Stabilization Program payables	-	-	7,190,086	-	7,190,086	-	7,190,086
Note payable to bank	-	-	-	500,000	500,000	-	500,000
Escrow deposits	-	-	-	9,819,559	9,819,559	-	9,819,559
Due to Desoto County	-	-	-	3,004,529	3,004,529	-	3,004,529
Mortgage note payable	463,237	-	-	-	-	-	463,237
Lines of credit	-	-	-	103,075	103,075	-	103,075
Total liabilities	1,425,267	88,658	7,190,086	13,678,908	20,868,994	(527,926)[b]	21,854,993
Net assets:							
Without donor restrictions	6,973,967	(87,928)	-	6,898,820	6,898,820	(6,810,892)[a]	6,973,967
With donor restrictions	7,177,373	-	-	7,177,373	7,177,373	(7,177,373)[a]	7,177,373
Total net assets	14,151,340	(87,928)	-	14,076,193	14,076,193	(13,988,265)[a]	14,151,340
Total liabilities and net assets	$ 15,576,607	730	7,190,086	27,755,101	34,945,187	(14,516,191)	36,006,333

[a] to eliminate investment in affiliates
[b] to eliminate intercompany receivables and payables

NEIGHBORHOOD LENDING PARTNERS, INC. AND AFFILIATES

Combining Statement of Activities

For the Year Ending March 31, 2022

	NLP	NLPG	NLP of Florida, Inc.: NSP	NLP of Florida, Inc.: NLP of Florida, Inc.	NLP of Florida, Inc.: Total NLP of Florida, Inc.	Eliminations	Combined
Revenues:							
Neighborhood Stabilization Program income	$ -	-	612,231	-	612,231	-	612,231
Grant revenue	60,000	14,700	-	780,000	780,000	-	854,700
Loan servicing fees	-	1,500	-	806,458	806,458	-	807,958
Loan facilitation fees	-	-	-	605,449	605,449	-	605,449
Loan prepayment fees	-	-	-	7,047	7,047	-	7,047
Interest income loans	-	-	-	149,153	149,153	-	149,153
Interest income and other	736,534	-	-	36,435	36,435	(720,534)[c]	52,435
Total revenues	796,534	16,200	612,231	2,384,542	2,996,773	(720,534)[c]	3,088,973
Expenses:							
Program services:							
Multifamily	-	52,421	-	1,187,658	1,187,658	-	1,240,079
Small business	-	-	-	(35,378)	(35,378)	-	(35,378)
NSP2	-	-	612,231	-	612,231	-	612,231
Single family	-	-	-	4,377	4,377	-	4,377
Supporting services:							
Management and general	76,000	-	-	371,130	371,130	-	447,130
Fundraising	-	-	-	100,000	100,000	-	100,000
Total expenses	76,000	52,421	612,231	1,627,787	2,240,018	-	2,368,439
Increase (decrease) in net assets	720,534	(36,221)	-	756,755	756,755	(720,534)[a]	720,534
Net assets at beginning of year	13,430,806	(51,707)	-	13,319,438	13,319,438	(13,267,731)[b]	13,430,806
Net assets at end of year	$ 14,151,340	(87,928)	-	14,076,193	14,076,193	(13,988,265)	14,151,340

(a) to eliminate decrease in net assets of affiliates
(b) to eliminate fund balance of affiliates
(c) to eliminate intercompany revenue and expenses

HACKER, JOHNSON & SMITH PA

Fort Lauderdale
Orlando
Tampa

Certified Public Accountants

Summary Schedule of Prior Audit Findings

July 11, 2022

There were no prior audit findings or questioned costs relative to Federal awards identified in the audit of Neighborhood Lending Partners, Inc. for the yer ended March 31, 2021.

HACKER, JOHNSON & SMITH PA

Fort Lauderdale
Orlando
Tampa

Certified Public Accountants

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Combined Financial Statements Performed in Accordance with Government Auditing Standards

The Board of Directors
Neighborhood Lending Partners, Inc.
Tampa, Florida:

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 Sates, the combined financial statements of Neighborhood Lending Partners, Inc. and Affiliates (the "Company"),which comprise the combined statement of financial position as of March 31, 2022, and the related combined statements of activities, functional expenses and cash flows for the year then ended and the related notes to the combined financial statements, and have issued our report thereon dated July 11, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Company'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 combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company'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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's combined 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 of those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company's combined 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 Company'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 Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hacker, Johnson & Smith PA

HACKER, JOHNSON & SMITH PA
Tampa, Florida
July 11, 2022

Neighborhood Lending Partners, Inc.

Schedule of Findings and Questioned Costs

For the Year Ended March 31, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:		Unmodified
Internal control over financial reporting:		
X	Material weaknesses identified?	____yes_ X _ no
X	Significant deficiency(s) identified?	____ yes _ X _ none reported
Noncompliance material to financial statements noted?		____ yes _ X _ no

Federal Awards

Internal control over major program:		
X	Material weaknesses identified?	____ yes ___ no _ N/A _
X	Significant deficiency(s) identified?	____ yes ___ no _ N/A _
Type of auditors' report issued on compliance for major program:		None
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		_____ yes___ no _ N/A _

Identification of major program:

CFDA Number	*Name of Federal Program*
N/A	N/A

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	___ yes___ no _ N/A _

State Awards

Internal control over major state project:		
X	Material weaknesses identified?	____ yes ___ no N/A
X	Significant deficiency(s) identified?	____ yes ___ none reported N/A

Type of auditors' report issued on compliance for major state project:	None
Any audit findings disclosed that are required to be reported under Rule 10.656.	____ yes ___ no N/A
Identification of major project:	None
Dollar threshold used to distinguish between type A and B program:	$750,000
Items to be reported in management letter	____ yes ___ no N/A

Section II – Financial Statement Findings

No reportable conditions, material weaknesses, or instances of noncompliance relating to the combined financial statements were identified that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards* or auditing standards generally accepted in the United States of America.

Section III – Federal and State Award Findings and Questioned Costs

No audit findings were identified that are required to be reported by the 2 CFR 200.516(a) or under Rule 10.656 of the Auditor General. No management letter is required under Rule 10.656 of the Auditor General.

If you have any questions, please call Steve Kania at (813) 282-7228.

Very truly yours,

HACKER, JOHNSON & SMITH PA

Steve Kania

Stephen R. Kania

SRK/yed

NEIGHBORHOOD LENDING PARTNERS

Lifting Communities.

Corrective Action Plan

July 11, 2022

No corrective action plan is necessary because the auditors' did not identify any audit findings in connection with the audit of Neighborhood Lending Partners, Inc. for the year ended March 31, 2022.