

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2006 calendar year, or tax year beginning 7/1/2006, and ending 6/30/2007

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization
NEIGHBORHOOD HOUSE ASSOCIATION
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
5660 COPLEY DRIVE
 City or town State or country ZIP + 4
SAN DIEGO CA 92111-7902

D Employer identification number
95-1648184

E Telephone number
(858) 715-2642

F Accounting method: Cash Accrual
 Other (specify) ▶

● Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Website: ▶ www.neighborhoodhouse.org

J Organization type (check only one) ▶ 501(c) (3) ◀ (insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

H and **I** are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶
H(c) Are all affiliates included? Yes No
 (If "No," attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶ N/A

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 96,598,349

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Revenue	1 Contributions, gifts, grants, and similar amounts received:			
	a Contributions to donor advised funds	1a	<u>0</u>	
	b Direct public support (not included on line 1a)	1b	<u>3,785,101</u>	
	c Indirect public support (not included on line 1a)	1c	<u>0</u>	
	d Government contributions (grants) (not included on line 1a)	1d	<u>89,527,090</u>	
	e Total (add lines 1a through 1d) (cash \$ <u>93,312,191</u> noncash \$ <u>0</u>)	1e		<u>93,312,191</u>
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		<u>1,196,926</u>
	3 Membership dues and assessments	3		<u>0</u>
	4 Interest on savings and temporary cash investments	4		<u>34,220</u>
	5 Dividends and interest from securities	5		<u>48,579</u>
	6a Gross rents	6a		
	b Less: rental expenses	6b		
c Net rental income or (loss). Subtract line 6b from line 6a	6c		<u>0</u>	
7 Other investment income (describe CERTIFICATE OF DEPOSITS)	7		<u>42,238</u>	
8a Gross amount from sales of assets other than inventory	(A) Securities	8a	<u>0</u>	
	(B) Other	8b	<u>0</u>	
		8c	<u>0</u>	
d Net gain or (loss). Combine line 8c, columns (A) and (B)	8d		<u>0</u>	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a Gross revenue (not including \$ <u>0</u> of contributions reported on line 1b)	9a	<u>86,250</u>		
b Less: direct expenses other than fundraising expenses	9b	<u>0</u>		
c Net income or (loss) from special events. Subtract line 9b from line 9a	9c		<u>86,250</u>	
10a Gross sales of inventory, less returns and allowances		10a	<u>0</u>	
	b Less: cost of goods sold	10b	<u>0</u>	
	c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c		<u>0</u>
11 Other revenue (from Part VII, line 103)	11		<u>1,877,945</u>	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		<u>96,598,349</u>	
Expenses	13 Program services (from line 44, column (B))	13	<u>89,105,046</u>	
	14 Management and general (from line 44, column (C))	14	<u>8,165,259</u>	
	15 Fundraising (from line 44, column (D))	15	<u>42,680</u>	
	16 Payments to affiliates (attach schedule)	16	<u>0</u>	
	17 Total expenses. Add lines 13, 14, 15, and 16	17		<u>97,312,985</u>
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12	18	<u>-714,636</u>	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	<u>13,157,982</u>	
	20 Other changes in net assets or fund balances (attach explanation)	20	<u>0</u>	
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		<u>12,443,346</u>

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 a	Grants paid from donor advised funds (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
22 b	Other grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
23	Specific assistance to individuals (attach schedule)	0	0		
24	Benefits paid to or for members (attach schedule)	0			
25 a	Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	967,202	0	967,202	0
b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	506,916	0	506,916	0
c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	0	0	0	0
26	Salaries and wages of employees not included on lines 25a, b, and c	39,657,157	36,818,306	2,838,851	0
27	Pension plan contributions not included on lines 25a, b, and c	1,411,305	1,235,978	175,327	0
28	Employee benefits not included on lines 25a - 27	8,390,777	7,857,167	533,610	0
29	Payroll taxes	3,721,172	3,368,257	352,915	0
30	Professional fundraising fees	305,423	305,423	0	0
31	Accounting fees	251,209	3,100	248,109	0
32	Legal fees	252,809	13,868	238,941	0
33	Supplies	2,724,747	2,576,770	147,289	688
34	Telephone	496,408	366,815	129,593	0
35	Postage and shipping	76,587	42,854	33,733	0
36	Occupancy	5,564,730	5,337,253	227,477	0
37	Equipment rental and maintenance	429,228	345,409	83,819	0
38	Printing and publications	133,469	76,573	56,896	0
39	Travel	889,792	800,493	89,299	0
40	Conferences, conventions, and meetings	286,479	236,195	50,284	0
41	Interest	599,188	377,333	221,855	0
42	Depreciation, depletion, etc. (attach schedule)	2,097,235	1,763,357	333,878	0
43	Other expenses not covered above (itemize):				
a	SUB CONTRACT	18,149,581	18,149,581	0	0
b	OTHER CONTRACTED SERVICES	4,291,270	3,622,217	627,061	41,992
c	FOOD AND FOOD DONATIONS	1,635,884	1,629,121	6,763	0
d	INSURANCE	772,218	653,289	118,929	0
e	MINOR RENOVATIONS	67,358	67,358	0	0
f	SPECIAL ASSISTANCE	170,000	170,000	0	0
g	OTHER MISCELLANEOUS EXPENSES	3,464,841	3,288,329	176,512	0
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	97,312,985	89,105,046	8,165,259	42,680

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ 0; (ii) the amount allocated to Program services \$; (iii) the amount allocated to Management and general \$; and (iv) the amount allocated to Fundraising \$

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► <u>MULTI PURPOSE SOCIAL SERVICE AGENCY</u>	Program Service Expenses
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a HEAD START IS A FEDERALLY FUNDED CHILD DEVELOPMENT PROGRAM FOR VERY LOW INCOME CHILDREN AGES 3-5 AND THEIR FAMILIES. MORE THAN 28,000 CHILDREN AND FAMILIES THROUGHOUT SAN DIEGO COUNTY BENEFIT FROM HEAD START COMPREHENSIVE SERVICES. EARLY HEAD START PROGRAM PROVIDES INTENSIVE AND COMPREHENSIVE CHILD DEVELOPMENT AND FAMILY SUPPORT SERVICES TO PREGNANT WOMEN AND FAMILIES WITH CHILDREN UNDER AGE THREE. (Grants and allocations \$ <u>82,433,007</u>) If this amount includes foreign grants, check here ► <input type="checkbox"/>	82,690,920
b HEALTH AND NUTRITION - THE FOOD BANK AND BROWN BAG PROGRAMS PROVIDE EMERGENCY FOOD TO FAMILIES AND SENIORS REFERRED THROUGH MEMBER AGENCIES; STRONG RELIANCE ON PRIVATE SECTOR THROUGH DONATIONS OF SALVAGEABLE FOOD THAT WOULD OTHERWISE BEEN DISCARDED BY DONORS. OTHER PROGRAM SERVICE AREAS ARE FOCUSED ON MENTAL HEALTH, HIV/AIDS SERVICES, SENIOR NUTRITION, HOUSING AND EMERGENCY ASSISTANCE SERVICES AND ADULT DAY HEALTH CARE. (Grants and allocations \$ <u>4,231,153</u>) If this amount includes foreign grants, check here ► <input type="checkbox"/>	6,208,110
c TEEN PREGNANCY PREVENTION PROGRAM THAT PROVIDES PROACTIVE EDUCATION TO HIGH RISK TEENS. THE PROGRAM SERVES TEENS AND THEIR FAMILIES THROUGH INTERVENTION ACTIVITIES THAT INTEGRATE MENTORING, SOCIAL AND EDUCATIONAL EXPERIENCES. (Grants and allocations \$ <u>210,000</u>) If this amount includes foreign grants, check here ► <input type="checkbox"/>	206,016
d (Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$ <u>0</u>) If this amount includes foreign grants, check here ► <input type="checkbox"/>	0
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	89,105,046

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A)		(B)
		Beginning of year		End of year
Assets	45 Cash—non-interest-bearing	0	45	0
	46 Savings and temporary cash investments	5,645,872	46	3,931,055
	47 a Accounts receivable	47a 271,354		
	b Less: allowance for doubtful accounts	47b 0	298,293	47c 271,354
	48 a Pledges receivable	48a 0		
	b Less: allowance for doubtful accounts	48b 0	0	48c 0
	49 Grants receivable		4,160,453	49 4,149,304
	50 a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		0	50a 0
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		0	50b 0
	51 a Other notes and loans receivable (attach schedule)	51a 0		
	b Less: allowance for doubtful accounts	51b 0	0	51c 0
	52 Inventories for sale or use		139,779	52 186,418
	53 Prepaid expenses and deferred charges		49,160	53 21,783
	54 a Investments—publicly-traded securities.	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	0	54a 0
	b Investments—other securities (attach schedule).	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	38,307	54b 1,225,746
	55 a Investments—land, buildings, and equipment: basis	55a 0		
	b Less: accumulated depreciation (attach schedule)	55b 0	0	55c 0
	56 Investments—other (attach schedule)		0	56 0
	57 a Land, buildings, and equipment: basis	57a 35,145,131		
	b Less: accumulated depreciation (attach schedule)	57b 17,487,713	19,371,514	57c 17,657,418
58 Other assets, including program-related investments (describe <input checked="" type="checkbox"/> RENT DEPOSITS/OTHER CAPITALIZED COSTS)		305,257	58 221,119	
59 Total assets (must equal line 74). Add lines 45 through 58		30,008,635	59 27,664,197	
Liabilities	60 Accounts payable and accrued expenses	8,475,385	60	6,515,018
	61 Grants payable	0	61	0
	62 Deferred revenue	256,846	62	278,512
	63 Loans from officers, directors, trustees, and key employees (attach schedule)	0	63	0
	64 a Tax-exempt bond liabilities (attach schedule)	0	64a	0
	b Mortgages and other notes payable (attach schedule)	7,553,143	64b	7,738,638
	65 Other liabilities (describe <input checked="" type="checkbox"/> CAPITAL LEASE OBLIG-LONG TERM)	565,279	65	688,683
	66 Total liabilities. Add lines 60 through 65	16,850,653	66	15,220,851
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	12,612,827	67	12,393,346
	68 Temporarily restricted	545,145	68	50,000
	69 Permanently restricted	0	69	0
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds	0	70	0
	71 Paid-in or capital surplus, or land, building, and equipment fund	0	71	0
	72 Retained earnings, endowment, accumulated income, or other funds	0	72	0
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	13,157,982	73	12,443,346
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73.	30,008,635	74	27,664,197

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	96,598,349
b	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1		
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify):	b4	0	
	Add lines b1 through b4		b	0
c	Subtract line b from line a		c	96,598,349
d	Amounts included on Part I, line 12, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2	0	
	Add lines d1 and d2		d	0
e	Total revenue (Part I, line 12). Add lines c and d		e	96,598,349

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements		a	97,312,985
b	Amounts included on line a but not on Part I, line 17:			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify):	b4	0	
	Add lines b1 through b4		b	0
c	Subtract line b from line a		c	97,312,985
d	Amounts included on Part I, line 17, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2	0	
	Add lines d1 and d2		d	0
e	Total expenses (Part I, line 17). Add lines c and d		e	97,312,985

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Name Rudolph Johnson i Str 5660 Copley Dr City SAN DIEGO ST CA ZIP 92111	Title PRES/CEO Hr/WK 40	194,462	26,641	5,100
Name Michael Kemp Str 5660 Copley Dr City SAN DIEGO ST CA ZIP 92111	Title SR VP/COO Hr/WK 40	162,068	22,203	3,000
Name Norma Johnson Str 5660 Copley Dr City SAN DIEGO ST CA ZIP 92111	Title VP-CHILDREN Hr/WK 40	153,693	21,056	3,500
Name Frank Zalich Str 5660 Copley Dr City SAN DIEGO ST CA ZIP 92111	Title VP-IT Hr/WK 40	101,614	13,921	6,000
Name Valerie Wright Str 5660 Copley Dr City SAN DIEGO ST CA ZIP 92111	Title VP-ORG Hr/WK 40	95,939	13,144	2,000
Name Kim Peck Str 5660 Copley Dr City SAN DIEGO ST CA ZIP 92111	Title VP-CFO Hr/WK 40	79,121	10,840	0
Name Dwight Smith Str 5660 Copley Dr City SAN DIEGO ST CA ZIP 92111	Title VP-COUNSEL Hr/WK 40	73,890	10,123	0
Name Marcia Samuels Str 5660 Copley Dr City SAN DIEGO ST CA ZIP 92111	Title VP-PRG Hr/WK 40	67,582	9,259	0
Name Pilar Montoya Str 5660 Copley Dr City SAN DIEGO ST CA ZIP 92111	Title DIR-CA Hr/WK 40	35,602	4,877	0
Name John Hill Str 5660 Copley Dr City SAN DIEGO ST CA ZIP 92111	Title VP-HR Hr/WK 40	3,231	443	0

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)		Yes	No
75 a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 16		
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b	X
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." If "Yes," attach a statement that includes the information described in the instructions.	75c	X
d	Does the organization have a written conflict of interest policy?	75d	X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Name Regina Evans Str 5660 Copley Dr City SAN DIEGO ST CA ZIP 92111	0	160,073	21,930	12,750
Name Teresita Baker Str 5660 Copley Dr City SAN DIEGO ST CA ZIP 92111	0	152,827	20,937	5,000
Name Stephen Arata Str 5660 Copley Dr City SAN DIEGO ST CA ZIP 92111	0	115,420	15,813	8,500
Name Leslie Randolph Str 5660 Copley Dr City SAN DIEGO ST CA ZIP 92111	0	78,596	10,768	5,000
Name N/A Str City ST ZIP				
Name N/A Str City ST ZIP				
Name N/A Str City ST ZIP				
Name N/A Str City ST ZIP				
Name N/A Str City ST ZIP				
Name N/A Str City ST ZIP				

Part VI Other Information (See the instructions.)		Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	N/A
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization ▶ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 a	Enter direct and indirect political expenditures. (See line 81 instructions.) 81a 0	81b	X
b	Did the organization file Form 1120-POL for this year?		

