

**HUMAN SOLUTIONS, INC.  
dba OUR JUST FUTURE AND OTHER ENTITIES**

**CONSOLIDATED AND COMBINED  
FINANCIAL STATEMENTS**

**Year Ended June 30, 2022**



**OUR JUST FUTURE**

**KERN ▲ THOMPSON**  
CERTIFIED PUBLIC ACCOUNTANTS

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**  
**CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS**

**Year Ended June 30, 2022**

**TABLE OF CONTENTS**

	<u><b>Page</b></u>
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	i-iii
<b>INDEPENDENT AUDITOR’S REPORT</b>	1-3
<b>FINANCIAL STATEMENTS</b>	
Consolidated and Combined Statement of Financial Position	4
Consolidated and Combined Statement of Activities	5
Consolidated and Combined Statement of Functional Expenses	6
Consolidated and Combined Statement of Cash Flows	7
Notes to Consolidated and Combined Financial Statements	8-30
<b>OTHER INFORMATION</b>	
Properties Ownership Schedule (Unaudited)	31
Properties and Affiliated Entities Schedule of Assets, Liabilities, and Net Assets (Unaudited)	32
Properties and Affiliated Entities Schedule of Revenues, Expenses, and Changes in Net Assets (Unaudited)	33
Governing Board and Management and Inquiries and Other Information	34

## Management Discussion & Analysis

Our Just Future has been an essential part of the housing and economic safety net in East Portland and East Multnomah County, Oregon since 1988. Our programs have evolved since then to meet the changing needs of our community- and they continue to do so today. Increasingly, we are seeing the need intensify as a result of Oregon's statewide housing crisis, concentrated poverty, and residential displacement into our service area. The multi-year COVID pandemic hit our community hard, because so many residents experience the inequities in our society that are exacerbated during such crises.

Our Just Future is a locally unique Organization in that we are both a Community Development Corporation and a social services provider, so we straddle multiple delivery systems and sectors. This combination enables us to deliver a broad spectrum of complementary services that positively impact the housing and economic security of the diverse people and communities who call our service area home.

Our services include emergency shelters, rehousing assistance, affordable housing development and operations, employment training and supports, rent and utility assistance, after-school programming, and housing stability, among other programs.

### **Our Mission:**

Our Just Future counters the forces that keep people and communities in poverty by building relationships and assets that create opportunity- today and for future generations.

- **We partner** with people and communities impacted by poverty so they can have long-term housing and economic security.
- **We invest** in affordable housing and community assets that contribute to strong, inclusive neighborhoods.
- **We advocate** with our community for policies and investments that expand housing and economic opportunity, eliminate wealth inequality and end poverty.

East Portland and wider East Multnomah County, Oregon is our home and the heart of our investments, advocacy, and programs.

### **Community Vision:**

Our Just Future envisions vibrant, healthy neighborhoods where all people can share in the security, hopes and advantages of a thriving, supportive community.

### **Organizational Vision:**

Our Just Future operates as a nimble, financially strong Organization driven by our passion, strategic goals, and guiding principles.

### **Our Strategic Priorities:**

In 2018 Our Just Future's board of directors adopted a five-year Strategic and Equity Plan for our 2019 - 23 fiscal years that has been actively guiding our work and intentionally expanding our focus to include deep racial equity and systems change work. This important effort draws on our 35 years of experience helping people navigate the many broken systems - historic and ongoing- that make and keep people poor in Oregon and across the United States. Our Just Future will continue to play a key role in shoring up the safety net in East Portland and wider East Multnomah County, but we are also working upstream to prevent poverty and homelessness before they take root.

## Our Strategic Priorities (Continued):

1. Our Strategic and Equity Plan has four top-line goals: **Thriving individuals, families and communities.** The people and communities who partner with Our Just Future will experience long-term housing stability and economic security so they can seize opportunities to thrive.
2. **An inclusive, anti-racist Organization delivering equitable results.** Our Just Future will recognize and counter the impacts of racism and other forms of systemic oppression by modeling and championing diversity, equity and inclusivity in our leadership, programs, outcomes, investments and operations.
3. **Public policies and systems that reduce poverty and help more people thrive.** Our Just Future will advocate with our community for policies and investments that expand housing and economic opportunity, eliminate wealth inequality and end poverty.
4. **A strong, capable and nimble Organization.** Our Just Future will develop the resources, internal systems, staffing and capacity to achieve our mission.

The full plan, including our theory of change, core values, and commitment to equity, is available here: [ourjustfuture.org/plan](http://ourjustfuture.org/plan)

Here we highlight some of our key financial transactions for the year, mainly related to our expanding affordable housing portfolio. So many of these financial accomplishments also bring important positive impacts to our community, expanding access to affordable apartments and improving the quality of our portfolio to enhance residents' quality of life.

## Key Housing Portfolio Transactions:

1. **Financed Upgrades at Ankeny Woods.** In November 2021, Our Just Future closed on the financing to rehabilitate our Ankeny Woods affordable housing community in East Portland, where we embarked on a critical and stabilizing rehab of this 42-unit apartment community that we developed in 1997. Financing included several sources, including but not limited to: \$6,244,341 in 4% Low Income Housing Tax Credits (LIHTC) equity; \$3,800,000 preservation funding from Oregon Housing and Community Services (OHCS), the state's housing agency; \$340,000 from the Portland Clean Energy Fund; \$68,460 from Oregon's Multifamily Energy Program; and a permanent loan of \$2,200,000. This project enabled us to replace the building envelope and complete several interior upgrades including but not limited to new kitchens, flooring, light fixtures and AC units for every apartment. Additionally, this project addressed life-safety issues through the removal of the back decks that were previously blocked off do to stability concerns. Finally, the exterior site was overhauled to include native drought resistant landscaping and a new play structure.
2. **Financed Upgrades at Arbor Glen.** Arbor Glen is a 97-unit garden-style apartment community in East Portland where we are working to complete several capital improvement projects, including stormwater management, lighting and security. Our Just Future applied for and received financial assistance from the City of Portland under the Community Development Block Grant program (CDBG), which came as a loan for \$1,587,405 from the Portland Housing Bureau. It closed on September 10th, 2021.
3. **Purchased and Preserved Aldercrest Apartments.** During our previous fiscal year (FY21), Our Just Future began a partnership with Green Light Development to purchase and rehabilitate Aldercrest Apartments, a 68-unit apartment community in Gresham at risk of losing its permanent subsidy. In November 2021, Our Just Future acquired the property, which had an expiring HUD Section 8 contract on 59 of the units. As a Community Development Corporation, our priority was to preserve ongoing affordability for current and future residents. We received an award of 9% Low Income Housing Tax Credits from OHCS in September 2020 for both the purchase and rehabilitation, and we secured renewal of the HUD contract that deepens the affordability of a portion of the units for another 20 years.

**Purchased and Preserved Aldercrest Apartments (Continued).**

In addition, the tax credit financing will restrict the nine currently market-rate units for tenants with incomes at or below 60% Area Median Income, so we are adding much-needed affordable units to the community.

4. **Transition to Full Ownership of Lincoln Woods.** As of January 1, 2022, the partnership interests of the Limited Partner and Special Limited Partner in Lincoln Woods Limited Partnership were transferred to Lincoln Woods Development, LLC, an Oregon limited liability company in which Our Just Future is the sole member. With this transfer of interests, Lincoln Woods became a wholly-owned asset of Our Just Future. As part of this transfer of ownership interests, two notes receivable owed to the Organization were forgiven, one for an unpaid developer fee of \$169,572 and another for a sponsor loan of \$229,469.
5. **Grand Opening of The Nick Fish Affordable Housing Community and Gateway Office and Service Center.** In May 2022, we gathered in person outside to celebrate this important milestone. The Nick Fish is Our Just Future's newest mixed-use development, located adjacent to Discovery Park in East Portland's Gateway neighborhood. We closed on the construction financing in August 2019 and completed the project in March 2021. The \$32,692,000 LEED-gold project has 75 apartments, 11,000 square feet for Our Just Future's new anchor office and service center, and 11,000 square feet of ground-level, street-facing retail owned and managed by Prosper Portland. The Nick Fish has seven units for residents at 30% of area median income (AMI), 45 units at 60% AMI, five units at 80% AMI, and 18 are leased at market rates.

This project was an innovative public-private partnership with a variety of private and public financing sources, including Metro (our regional government), Multnomah County, Oregon Housing and Community Services, Portland Housing Bureau, and Prosper Portland, the city's economic development department. Our Just Future and our development partner, Edlen & Company, utilized both New Markets and Low-income Housing Tax Credits in creative ways that enabled us to develop a single residential building with mixed-income units that have the same amenities and features. Creating housing that equitably serves families at a range of income levels is an important value for us. The New Markets Tax Credit provided the equity for the adjacent office space and, together with a successful capital campaign and private funding, enables us to create a new, transit-oriented, trauma-informed anchor office and service center for participants and staff that we will fully utilize when it is COVID safe. As we look to the future here at Our Just Future and in the East Portland/East Multnomah County community we call home, we expect the need for our support services, our affordable housing development and our advocacy for systemic, anti-racist change to grow. We plan to meet this growing need by focusing on our team, our financial foundation, racial equity, the effectiveness and integration of our programs, and advocacy for funding and systems that work better for the people and communities we are grateful to partner with. In closing, while there is unfortunately no sign of real systemic solutions to our housing and income inequality crises, we do our best work every day to build a strong Organization for our community and a more just future with vibrant, healthy neighborhoods where *all* people can share in the security, hopes and advantages of a thriving, supportive community.

Thank you for your interest in Our Just Future and the vibrant community we call home.



Andy Miller, Executive Director



Verlea G. Briggs, Board Chair

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Human Solutions, Inc.  
dba Our Just Future and Other Entities  
Portland, Oregon

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying consolidated and combined financial statements of Human Solutions, Inc. dba Our Just Future and Other Entities (a nonprofit Organization), which comprise the consolidated and combined statement of financial position as of June 30, 2022, and the related consolidated and combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated and combined financial statements.

In our opinion, the consolidated and combined financial statements present fairly, in all material respects, the financial position of Human Solutions, Inc. dba Our Just Future and Other Entities as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of The Pines Housing, Inc., a combined entity, whose statements reflect total assets of \$3,861,264 as of June 30, 2022, and total support and revenues of \$844,597 for the year then ended. These statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for The Pines Housing, Inc., is based solely on the reports of the other auditors.

**Basis for Opinion**

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

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Human Solutions, Inc. dba Our Just Future and Other Entities' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors  
Human Solutions, Inc.  
dba Our Just Future and Other Entities

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Human Solutions, Inc. dba Our Just Future and Other Entities' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Human Solutions, Inc. dba Our Just Future and Other Entities' 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 Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2023 on our consideration of the Human Solutions, Inc. dba Our Just Future and Other Entities' 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.

To the Board of Directors  
Human Solutions, Inc.  
dba Our Just Future and Other Entities

**Other Reporting Required by Government Auditing Standards (Continued)**

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Human Solutions, Inc. dba Our Just Future and Other Entities' 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 Human Solutions, Inc. dba Our Just Future and Other Entities' internal control over financial reporting and compliance.

**Report on Summarized Comparative Information**

We have previously audited the Human Solutions, Inc. dba Our Just Future and Other Entities' 2021 financial statements, and we expressed an unmodified audit opinion on those audited consolidated and combined financial statements in our report dated April 8, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidated and combined financial statements from which it has been derived.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The other information listed on pages 31-34 in table of contents, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we do not express an opinion or provide any assurance on it.



Portland, Oregon  
June 15, 2023



**HUMAN SOLUTIONS, INC.  
dba OUR JUST FUTURE AND OTHER ENTITIES**

**CONSOLIDATED AND COMBINED STATEMENT OF FINANCIAL POSITION**

**June 30, 2022**

(With Comparative Totals as of June 30, 2021)

<b>ASSETS</b>	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 1,191,748	\$ 1,145,497
Grants and accounts receivable	4,261,848	3,577,920
Developer fee receivable	1,512,600	-
Prepaid expenses and other assets	658,404	693,364
Restricted deposits and funded reserves	3,692,648	4,320,427
Interest receivable from affiliated organizations	276,406	224,141
Receivables from affiliated organizations	15,415,218	10,784,251
Investments in affiliated organizations	16,874	66,590
Land, buildings and equipment, net	35,700,790	35,754,820
<b>Total assets</b>	<b>\$ 62,726,536</b>	<b>\$ 56,567,010</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 2,872,028	\$ 1,498,601
Subcontractor payable	1,281,524	-
Accrued payroll and related expenses	1,037,784	1,084,168
Refundable advances - conditional grants	191,394	73,970
Tenant security deposits	185,508	185,867
Long-term debt	36,819,946	34,293,705
<b>Total liabilities</b>	<b>42,388,184</b>	<b>37,136,311</b>
<b>Net assets</b>		
Without donor restrictions		
Available for general operations and programs	1,563,548	2,282,712
Designated by Board for asset management	547,765	1,080,584
Designated by Board for housing predevelopment	91,008	39,155
Designated by Board for operating reserves	1,213,553	1,211,563
Contractually limited deposits and funded reserves	1,840,322	1,989,125
Net affiliate receivables, investments in affiliates and capital assets	14,248,300	11,912,384
<b>Total without donor restrictions</b>	<b>19,504,496</b>	<b>18,515,523</b>
With donor restrictions	833,856	915,176
<b>Total net assets</b>	<b>20,338,352</b>	<b>19,430,699</b>
<b>Total liabilities and net assets</b>	<b>\$ 62,726,536</b>	<b>\$ 56,567,010</b>

See notes to consolidated and combined financial statements.

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**CONSOLIDATED AND COMBINED STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2022**

(With Comparative Totals for the Year Ended June 30, 2021)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Operating revenues, gains and other support:</b>				
Government grants and contracts	\$ 15,695,817	\$ -	\$ 15,695,817	\$ 15,601,813
Private grants and contributions	850,569	317,281	1,167,850	1,377,455
Rental income	5,017,215	-	5,017,215	4,851,091
Development fees	2,772,957	-	2,772,957	450,000
Asset management and resident services fees	256,897	-	256,897	226,407
Investment income	243,167	-	243,167	192,602
PPP forgiveness	-	-	-	1,185,655
Other income	449,453	-	449,453	675,536
	<u>25,286,075</u>	<u>317,281</u>	<u>25,603,356</u>	<u>24,560,559</u>
Less pass-through revenue and in-kind contributions	(980,585)	-	(980,585)	-
Net assets released from restrictions	398,601	(398,601)	-	-
<b>Total operating revenues, gains, and other support</b>	<b><u>24,704,091</u></b>	<b><u>(81,320)</u></b>	<b><u>24,622,771</u></b>	<b><u>24,560,559</u></b>
<b>Expenses</b>				
Program services				
Properties	6,867,313	-	6,867,313	6,904,439
Housing & development	3,539,155	-	3,539,155	2,581,722
Shelter services	3,662,244	-	3,662,244	3,892,500
Community programs	8,002,954	-	8,002,954	7,920,079
Career & economic development	1,006,574	-	1,006,574	1,004,808
<b>Total program services</b>	<b><u>23,078,240</u></b>	<b><u>-</u></b>	<b><u>23,078,240</u></b>	<b><u>22,303,548</u></b>
Supporting services				
Management and general	2,047,904	-	2,047,904	2,012,272
Fundraising	801,335	-	801,335	1,028,513
<b>Total expenses</b>	<b><u>25,927,479</u></b>	<b><u>-</u></b>	<b><u>25,927,479</u></b>	<b><u>25,344,333</u></b>
<b>Increase (decrease) in net assets before non-operating activities</b>	<b><u>(1,223,388)</u></b>	<b><u>(81,320)</u></b>	<b><u>(1,304,708)</u></b>	<b><u>(783,774)</u></b>
<b>Non-operating activities:</b>				
Sale of Property	-	-	-	1,150,999
Capital grants received for the acquisition of property	2,939,375	-	2,939,375	-
Transfer of assets to/from partnership	(727,014)	-	(727,014)	262,441
<b>Total non-operating activities</b>	<b><u>2,212,361</u></b>	<b><u>-</u></b>	<b><u>2,212,361</u></b>	<b><u>1,413,440</u></b>
<b>Increase (decrease) in net assets</b>	<b><u>988,973</u></b>	<b><u>(81,320)</u></b>	<b><u>907,653</u></b>	<b><u>629,666</u></b>
<b>Net assets</b>				
Beginning of year	<u>18,515,523</u>	<u>915,176</u>	<u>19,430,699</u>	<u>18,801,033</u>
<b>End of year</b>	<b><u>\$ 19,504,496</u></b>	<b><u>\$ 833,856</u></b>	<b><u>\$ 20,338,352</u></b>	<b><u>\$ 19,430,699</u></b>

See notes to consolidated and combined financial statements.

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**CONSOLIDATED AND COMBINED STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2022**

(With Comparative Totals for the Year Ended June 30, 2021)

	<b>PROGRAM SERVICES</b>					<b>SUPPORTING SERVICES</b>			<b>Total</b>	
	<b>Properties</b>	<b>Housing &amp; Development</b>	<b>Shelter Services</b>	<b>Community Programs</b>	<b>Career &amp; Economic Development</b>	<b>Total</b>	<b>Management and General</b>	<b>Fund-Raising</b>	<b>2022</b>	<b>2021</b>
Salaries and benefits	\$ 177,224	\$ 1,389,933	\$ 2,368,179	\$ 2,628,507	\$ 783,947	\$ 7,347,790	\$ 1,253,523	\$ 622,381	\$ 9,223,694	\$ 8,964,296
Rent and client assistance	13,405	28,079	132,722	4,590,016	83,346	4,847,568	25	-	4,847,593	5,672,919
Phone and internet	26,923	22,491	30,159	61,635	14,917	156,125	19,628	10,534	186,287	222,594
Dues, subscriptions and other	117,586	12,695	66,443	20,394	317	217,435	36,516	40,182	294,133	202,456
Event expense	-	-	37,507	616	-	38,123	-	14,974	53,097	7,790
Gas and mileage	-	1,219	2,065	16,101	2,020	21,405	555	511	22,471	23,303
Grants awarded	80,982	28,618	-	-	-	109,600	-	-	109,600	218,665
In-kind services and supplies	-	-	189,442	-	-	189,442	-	-	189,442	305,910
Insurance	380,493	9,629	16,012	18,969	6,096	431,199	8,653	4,527	444,379	290,268
Interest expense	1,097,389	-	-	-	-	1,097,389	21,638	-	1,119,027	1,322,945
Occupancy	832,706	53,504	196,176	179,440	44,038	1,305,864	67,416	40,342	1,413,622	1,302,915
Office supplies	82,470	11,947	4,060	40,993	10,471	149,941	12,571	5,242	167,754	163,895
Permits, licenses and fees	85,723	23,192	521	535	115	110,086	17,235	5,207	132,528	249,508
Professional assistance	60,603	1,884,264	-	335	-	1,945,202	168,422	31,784	2,145,408	939,222
Program expense	3,900	55,611	515,910	23,741	8,129	607,291	9,031	5,221	621,543	669,520
Property maintenance	1,464,905	-	-	-	-	1,464,905	-	-	1,464,905	1,392,826
Property management fees	581,555	-	-	-	-	581,555	-	-	581,555	603,046
Staff recruitment and training	10,264	14,987	1,996	7,925	1,578	36,750	44,043	1,523	82,316	63,839
Subcontractors	-	-	80,210	400,162	51,500	531,872	-	-	531,872	612,060
Software support	48,480	2,986	20,842	13,585	100	85,993	384,181	18,907	489,081	368,259
Total operating expenses	5,064,608	3,539,155	3,662,244	8,002,954	1,006,574	21,275,535	2,043,437	801,335	24,120,307	23,596,236
Depreciation and amortization	1,802,705	-	-	-	-	1,802,705	4,467	-	1,807,172	1,748,097
<b>Total expenses</b>	<b>\$ 6,867,313</b>	<b>\$ 3,539,155</b>	<b>\$ 3,662,244</b>	<b>\$ 8,002,954</b>	<b>\$ 1,006,574</b>	<b>\$ 23,078,240</b>	<b>\$ 2,047,904</b>	<b>\$ 801,335</b>	<b>\$ 25,927,479</b>	<b>\$ 25,344,333</b>

See notes to consolidated and combined financial statements.

**HUMAN SOLUTIONS, INC.  
dba OUR JUST FUTURE AND OTHER ENTITIES**

**CONSOLIDATED AND COMBINED STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2022**

(With Comparative Totals for the Year Ended June 30, 2021)

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Cash received from tenants, contractors, grantors and donors	\$ 22,138,945	\$ 21,980,393
Cash paid to employees and suppliers	(20,712,243)	(23,199,109)
Interest income received	243,167	192,602
Interest paid	(1,119,027)	(1,322,945)
<b>Net cash provided by (used in) operating activities</b>	<b>550,842</b>	<b>(2,349,059)</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(1,926,737)	(4,295,190)
Loans made to affiliated organizations	(2,720,556)	(119,413)
Capital contributions made to affiliate organizations	49,716	(19,000)
Proceeds from sale of property	-	2,417,351
<b>Net cash provided (used) in investing activities</b>	<b>(4,597,577)</b>	<b>(2,016,252)</b>
<b>Cash flows from financing activities:</b>		
Grants restricted to long-term investment in capital assets	2,939,375	-
(Repayment) / proceeds from line of credit	-	(234,000)
Proceeds on the issuance of long-term debt	1,877,472	5,963,495
Repayment of long-term debt principal	(1,351,640)	(4,740,076)
<b>Net cash provided by (used in) financing activities</b>	<b>3,465,207</b>	<b>989,419</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(581,528)</b>	<b>(3,375,892)</b>
Cash and cash equivalents at beginning of year	5,465,924	8,841,816
<b>Cash and cash equivalents at end of year</b>	<b>\$ 4,884,396</b>	<b>\$ 5,465,924</b>
<b>Supplementary disclosures of cash flow information:</b>		
Cash and cash equivalents	\$ 1,191,748	\$ 1,145,497
Cash restricted for funded reserves	3,692,648	4,320,427
	<b>\$ 4,884,396</b>	<b>\$ 5,465,924</b>

See notes to consolidated and combined financial statements.

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS**

**June 30, 2022**

**NOTE A – DESCRIPTION OF ORGANIZATION**

Human Solutions, Inc. dba Our Just Future (the Organization) has been working for nearly 35 years in East Portland, Gresham and wider East Multnomah County, Oregon to help families experiencing poverty and homelessness have the housing and economic security we believe everyone deserves. In addition to helping people navigate to stable housing today, we are also focusing on upstream solutions to inequitable housing and economic policies that will prevent poverty and homelessness tomorrow. Everything we do is through a racial justice lens because there is no housing and economic justice without racial justice.

**Our Community Vision:**

Human Solutions envisions vibrant, healthy neighborhoods where all people can share in the security, hopes and advantages of a thriving, supportive community.

**Our Organizational Vision:**

Human Solutions operates as a nimble, financially strong Organization driven by our passion, strategic goals and guiding principles.

**Our Mission:**

Human Solutions counters the forces that keep people and communities in poverty by building relationships and assets that create opportunity – today and for future generations.

- **We partner** with people and communities impacted by poverty so they can achieve long-term housing and economic security.
- **We invest** in affordable housing and community assets that contribute to strong, inclusive neighborhoods.
- **We advocate** with their community for policies and investments that expand housing and economic opportunity, eliminate wealth inequality and end poverty.

East Portland/East Multnomah County, Oregon is our home and the heart of our investments, advocacy and programs.

**THEORY OF CHANGE: The reason we do what we do.**

**The problem we tackle: intergenerational poverty:** Human Solutions defines poverty as a lack of power, choice and control over circumstances, typically caused by a lack of income, assets and resources at a personal and community level. People and communities who experience poverty typically inherit it as a product of deep structural inequality caused by adverse systemic forces like racism, misogyny, ableism, and mass incarceration. As a result of historic, ongoing and intentional policies that concentrate wealth and power, far too many people – especially people of color - continue to experience intergenerational poverty.

In their home of East Portland and East Multnomah County, people and communities experiencing poverty typically reside in neighborhoods that have experienced years of disinvestment and lack basic amenities like healthy food, safe streets and welcoming places to gather and play.

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS**

**June 30, 2022**

**NOTE A – DESCRIPTION OF ORGANIZATION (CONTINUED)**

**The problem we tackle: intergenerational poverty (Continued):** Entrenched, intergenerational poverty and a landscape of disinvestment leave people and whole communities vulnerable to poverty's compounding conditions: powerlessness, residential displacement, lack of educational and economic opportunity, and the recurring trauma of hopelessness and homelessness.

**Our approach: invest in transformation and long-term success:** Human Solutions works to counter the forces that keep people and communities in poverty. We partner with individuals, families and communities to support their long-term success and transcendence from the conditions of poverty. Here's how:

- We provide trauma-informed programs that offer hope, support and a pathway to stability and opportunity to our community's most vulnerable families and individuals.
- We develop and maintain healthy, high-quality affordable and supportive housing that responds to the needs and desires of people experiencing housing insecurity and homelessness.
- We offer employment training and career coaching to help people build skills that lead to higher incomes and greater economic opportunity.
- We partner to strengthen poverty-concentrated neighborhoods by developing housing, resources and community amenities that support the success of future generations.
- We advocate for public policies and investments that expand housing and economic opportunity, eliminate wealth inequality, and end poverty.

We believe we can counter structural causes of poverty by sharing and aligning our influence, resources, programs, investments and expertise with individuals and communities so they can build wealth, power, security and influence.

**PROGRAM AREAS**

During the fiscal year ended June 30, 2022, the Organization provided services in our three core program areas: affordable housing, social services and employment. Due to the COVID-19 global pandemic, we operated many of our programs virtually and added new services to meet new needs (such as distributing food boxes and government cash cards). Our emergency shelter teams remained on site 24/7 throughout the pandemic, ensuring that those needing emergency shelter could still have access to it.

**AFFORDABLE HOUSING DEVELOPMENT AND PROGRAMMING –** Human Solutions develops and operates affordable housing communities for low-income and unhoused families throughout outer East Portland and East Multnomah County. Human Solutions owns and operates 804 units of affordable rental housing in 18 apartment communities. The four components of our Housing Team are:

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS**

**June 30, 2022**

**NOTE A – DESCRIPTION OF ORGANIZATION (CONTINUED)**

**AFFORDABLE HOUSING DEVELOPMENT AND PROGRAMMING (CONTINUED)**

1. **Asset Management** oversees the maintenance, resident policies and property management companies charged with day-to-day oversight of the 804 apartments and three commercial units.
2. **Real Estate Development** staff plan and oversee new real estate investments, including housing development, purchase and rehabilitation projects. Rehabilitation funds are key to maintaining the quality of affordable housing in our portfolio and community.
3. **Resident Services** coordinators worked virtually and, when essential and safe, on-site at our affordable housing communities to provide information and referral, eviction prevention services, client assistance funds, and food boxes, as well as support classes, community building and children's activities for the residents in our 804 affordable apartments.
4. **LearnLinks Academic Support & Mentoring** – Our creative team supported 182 youth in grades K-8 to succeed academically and gain the social and emotional skills they will need to set and reach their life goals. Students in this program live in affordable housing communities and Lilac Meadows, our emergency shelter for families experiencing homelessness. While much of our programming was virtual, our team also delivered much-needed IT equipment (to bridge the digital divide), activity kits and culturally-specific food boxes to student doorsteps. Creative engagement was the theme!

**SHELTER SERVICES** – On any given night, Human Solutions provided shelter, housing or housing support services to an average of 845 unhoused or formerly unhoused people from 334 households. The emergency shelters for families and adults who identify as women/non-binary/genderqueer depend on in-kind contributions from the community, such as donated clothing, blankets, household goods, and food that the Organization distributed to participants at no charge. The Organization raised funds to provide food for residents at all three emergency shelters, which was more needed during COVID when volunteering decreased.

**COMMUNITY PROGRAMS FOR SOCIAL JUSTICE** – This direct-service team provides housing and economic stability services for families who are unhoused/insecurely housed and/or have low/no incomes. They engage with our wide variety of shelter, housing and skill building programs, including:

1. **Housing those experiencing Homelessness**  
The Organization provided Housing Placement services for 474 individuals and 134 families who were experiencing homelessness and are now housed. The Housing Placement services are able to support households for short term, long term, or permanently to ensure that people on the community have a place called home.
2. **Preventing Homelessness**  
The Organization also prevented homelessness with short-term rent assistance programs so that 299 families (with 436 adults and 432 children) could remain in their housing. It is the Organization's goal to support people who are unhoused and housing insecure as they work to maintain stable, healthy housing and avoid the trauma of homelessness.

**HUMAN SOLUTIONS, INC.  
dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS**

**June 30, 2022**

**NOTE A – DESCRIPTION OF ORGANIZATION (CONTINUED)**

**COMMUNITY PROGRAMS FOR SOCIAL JUSTICE (CONTINUED)**

**3. Utility Assistance**

The Organization also provided utility bill assistance to 2,434 households keeping the lights and heat on for 5,773 individuals. This program also helps families stay housed, as utility shutoffs often lead to eviction and frees up scarce funds to pay rent.

**4. Life Skills Classes**

In typical years, the Organization offers families and individuals life-skill classes such as Rent Well to remove barriers to rental housing, and other relevant learning opportunities to support short- and long-term wellbeing. This year due to COVID limitations and other urgent pandemic related work, we offered Rent Well but no others. There were 8 participants. We look forward to adding this programming back as the pandemic numbers continue to decline.

**5. Information & Referral**

During the fiscal year ended June 30, 2022, the Organization responded with information and referrals to 3,215 from people seeking assistance (in most years we also have people walking in for referrals, but because our offices were closed for public health reasons, we did not).

**CAREER AND ECONOMIC DEVELOPMENT SERVICES** – The Organization provided employment, job search and training services to 1,105 people during this year. Of those, 55% were either unhoused or at risk of becoming unhoused when they enrolled, and over 60% obtained jobs with an average starting wage of \$17.50/hour.

Partnerships with the City of Gresham, the City of Portland/Prosper Portland, WorkSystems, Inc., and Oregon Department of Human Services/Immigrant and Refugee Community Organization (“IRCO”) made these services possible. One of Human Solutions’ employment programs, Living Solutions, focused on participants who have very limited employment skills and lack the training and skills needed to find living-wage jobs. Another was designed to help people leave the Temporary Assistance to Needy Families (“TANF”) program by obtaining jobs with wages sufficient to support their families. We operate the latter in a collaborative with several other Organizations and the state Department of Human Services.

**VOLUNTEERING ACROSS PROGRAMS** - Community members are an essential part of our work and, while the ways they can engage has had to change due to COVID, their engagement has remained robust, especially providing home-cooked meals for residents in our shelters and driving to collect and deliver donations. This year, volunteers invested fewer hours than prior years due to COVID restrictions, but still 200 wonderful volunteers gave approximately 1,000 hours to help our programs meet the needs of participants. We couldn’t do what we do without them and firmly believe that volunteers gain as much from participating as program participants do! We look forward to inviting more volunteers back into our work when it is safe to do so. Building connected communities is an important part of our vision for more just future.



**HUMAN SOLUTIONS, INC.  
dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS**

**June 30, 2022**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by grantors.

**Basis of Consolidation**

The consolidated and combined financial statements include all accounts and activities of the Organization, including all joint ventures and partnerships, and all nonprofit Organizations in which the Organization has a controlling financial and economic interest. The other entities are comprised of the consolidated and combined entities listed below.

The Organization's share of affiliate earnings is included in the statement of activities. All significant interorganizational investments, accounts and transactions have been eliminated.

Unless otherwise noted, the Organization wholly owns and controls the consolidated entity.

<u>Property</u>	<u>Consolidated Entities</u>	<u>Notes</u>
Aldercrest	Aldercrest GP, LLC	As of November 2021
Ankeny Woods	Ankeny Arms, LP	Until November 2021
Cascade Crossing	Cascade Crossing Development, LLC	
The Cedars	HS Cedars, LLC	
Fairview Arms	Fairview GP, LLC	
Glisan Commons	HSI Glisan Commons, LLC	
Hazelwood	Hazelwood Ankeny GP, LLC	As of November 2021
Lincoln Woods	Lincoln Wood Developer, LLC	As of January 2022
Rockwood - commercial	Rockwood MSC QALICB, Inc.	501(c)(3) with economic interest and control
Rockwood - residential	Rockwood Building, LLC	
Rosewood Plaza - commercial	Rosewood Commercial Condo, LLC	
Rosewood Plaza - residential	18155 NE Couch Street Associates, LLC	
Rosewood Stark	Rosewood Stark GP, LLC	
The Nick Fish - commercial	Gateway QALICB, Inc.	501(c)(3) with economic interest and control
The Nick Fish - residential	Gateway GP, LLC	
Whispering Winds	Whispering Winds Housing, LP	
Whispering Winds	Arbor Glen GP, LLC	

**Combined Entity:**

The Pines Housing, Inc. is a single purpose nonprofit Organization formed to own and operate a Department of Housing and Urban Development funded project. The entity is under common management with Human Solutions, Inc. dba Our Just Future and Other Entities however, Human Solutions, Inc. dba Our Just Future does not have a controlling financial and economic interest.

**HUMAN SOLUTIONS, INC.  
dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Affiliated Entities – Equity Method:**

Accounting Standards Codification (ASC) 810 is based on the fundamental principle that a general partner in a limited partnership is presumed to control the limited partnership, regardless of the extent of its ownership interest. Consequently, unless this presumption is overcome, a sole general partner is required to consolidate its limited partnership interests. Management has concluded that consolidation of these limited partnership entities is not required at this time as the presumption of control had been overcome in all cases.

Investments in affiliate Organizations in which the Organization has significant ownership interests (generally ranging from 20% to 50%), and where the Organization exercises significant influence over the operating and financial policies of the affiliate, are accounted for using the equity method of accounting.

The equity method of accounting is also followed for other investments in limited partnerships for which the Organization serves as sponsor and general partner, and in which it generally holds a 1.0% or .01% equity interest, as follows:

<u>Organization</u>	<u>Held Through</u>	<u>Year Formed</u>
Aldercrest Gresham, LP	Aldercrest GP, LLC	2021
Fairview Arms, LP	Fairview GP, LLC	2017
Gateway Halsey, LP	Gateway GP, LLC	2019
Glisan Commons Phase I, LP	HSI-Glisan Commons, LLC	2012
Hazelwood Ankeny, LP	Hazelwood Ankeny GP, LLC	2021
Lincoln Woods Housing, LP (Through January 1, 2022)		2003
Rockwood Housing, LP	Rockwood Building, LLC	2010
Rosewood Plaza, LP	18155 NE Couch Street Associates, LLC	2015
Rosewood Stark, LP	Rosewood Stark GP, LLC	2021

**Financial Statement Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Statement Presentation (Continued)**

Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Contributions**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions received with both donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

**Conditional Promises to Give**

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions or has met the performance requirements. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization has been awarded cost-reimbursable grants of \$666,560 that have not been recognized at June 30, 2022, because performance requirements and/or qualifying expenditures have not yet been incurred.

**Contributions of Long-Lived Assets**

Contributions of land, buildings, and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire property and equipment with donor stipulations are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of being placed in service of such long-lived assets.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets and Depreciation**

Land, buildings, and equipment are carried at cost, and at market value when acquired by gift. The Organization capitalizes assets individually greater than \$5,000. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets as follows

Buildings	30 years
Improvements	10 years
Furniture and equipment	3-5 years

**Development Properties**

Properties acquired and held for development are recorded at acquisition cost, plus all costs associated with repair and rehabilitation of the property and other amounts incurred to make the properties ready for their intended use. In addition, certain indirect costs associated with the acquisition of properties are capitalized and allocated to the properties to which the costs relate, including interest expense which is capitalized in accordance with GAAP. (As of June 30, 2022, capitalized interest costs were immaterial.) Costs incurred for such items after the property has been substantially completed and made ready for its intended use, and indirect costs that do not relate to the property acquired, including general and administrative expenses, are charged to expense as incurred. Depreciation is recorded on all completed and occupied properties.

**Debt Issuance Costs**

Loan costs are capitalized and netted with the related debt and are being amortized over the term of the related debt using the effective yield method.

**Refundable Advances**

For 2022, refundable advances result primarily from conditional grant advance payments received prior to the incurrence of allowable grant expenditures, and are refundable to the grantor if not used for grant purposes.

**Revenue Recognition**

Revenue streams applicable to the Organization that qualify as exchange transactions with “customers” (primarily rental income, development fees, and other service fees) are recognized at a single point upon receipt when all risks and rewards transfer, or in the case of development fees, when contractual milestones are reached. Amounts received from customers in advance, such as deposits for reserved future services and events, are recorded as deferred revenue until the Organization’s performance obligations are satisfied.

**In-Kind Contributions**

In-kind contributions are provided in a number of ways by volunteers, funders, and other friends of the Organization. Valuation of donated goods is based on an estimate of fair market value of the goods. Donated food is valued based on an average meal cost adjusted by inflation each year.

**HUMAN SOLUTIONS, INC.  
dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**In-Kind Contributions (Continued)**

In-kind assistance of \$980,585 was passed through to specified beneficiaries and is included in government grants and contracts but is removed from net revenue as the Organization has no variance power. No amounts have been reflected in the financial statements for donated services by the Board members involved in Board activities or for unpaid volunteers because criteria for recognition has not been met. No in-kind contributions were monetized.

**Limitation on Certain Unrestricted Net Assets**

A certain portion of the Organization's unrestricted net assets is limited by contract to use within the program from which it was generated. In these cases, surplus funds are not refundable or payable to the contractor, but are generally limited to providing an extension or continuation of specific program services. The net assets of consolidated and combined entities totaling \$1,702,237 as of June 30, 2022 are generally not available to the parent Organization due to limitations that have been imposed by external grantors and contractors.

**Concentration of Credit Risk**

- **Cash and Cash Equivalents**

Cash and cash equivalents include bank deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurable limits. The Organization makes such deposits with high credit quality entities and has not incurred any credit related losses.

- **Receivables**

Accounts and contributions receivable are uncollateralized and stated at the amount management expects to collect from outstanding balances. Receivables from affiliated Organizations are substantially secured by real estate. When necessary, receivables are reported net of an allowance for uncollectible accounts. The allowance was \$0 as of June 30, 2022.

**Income Taxes**

The Organization has been approved as a tax exempt Organization under the Internal Revenue Code Section 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of \$1,000.

Aldercrest GP, LLC, Arbor Glen GP, LLC, Cascade Crossing Development, LLC, Fairview GP, LLC, Gateway GP LLC, Hazelwood Ankeny GP, LLC, HSI Glisan Commons, LLC, HS Cedars, LLC, Lincoln Wood Developer, LLC, Rockwood Building, LLC, Rosewood Commercial Condo, LLC, Rosewood Stark GP, LLC and 18155 NE Couch Street Associates, LLC are single member limited liability corporations controlled by Human Solutions, Inc. dba Our Just Future, and considered disregarded entities for tax purposes.

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses**

The costs of providing the programs and supporting services have been summarized in the statement of activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs, including office expense, occupancy, leases and utilities have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort.

**Prior Year Summarized Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

**NOTE C – RELATED PARTIES**

The Organization's investments in affiliates' share of residential profits and losses is in accordance with its ownership percentage, and they generally guarantee operating deficits and certain loans and obligations of the affiliates.

**Summarized Information**

Summarized financial information of substantially all the limited liability companies and limited partnerships at December 31, 2021, the date of the most recent financial statements or tax return consists of the following:

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE C – RELATED PARTIES**

	Aldcrest Gresham, LP	Fairview Arms, LP	Gateway Halsey, LP	Glisan Commons Phase I, LP
Property, net	\$ 10,170,224	\$ 10,501,024	\$ 15,348,157	\$ 9,691,505
Required reserves	-	496,473	-	414,555
Other assets	<u>58,667</u>	<u>188,354</u>	<u>1,758,587</u>	<u>96,228</u>
Total assets	<u>\$ 10,228,891</u>	<u>\$ 11,185,851</u>	<u>\$ 17,106,744</u>	<u>\$ 10,202,288</u>
Long-term debt	\$ 7,650,082	\$ 4,472,990	\$ 14,917,030	\$ 4,096,231
Other liabilities	305,847	310,574	1,560,614	99,607
Partners' equity (deficit)	<u>2,272,962</u>	<u>6,402,287</u>	<u>629,100</u>	<u>6,006,450</u>
Total liabilities and partners' equity	<u>\$ 10,228,891</u>	<u>\$ 11,185,851</u>	<u>\$ 17,106,744</u>	<u>\$ 10,202,288</u>
Revenues	\$ 59,013	\$ 659,658	\$ 377,428	\$ 476,172
Expenses	<u>61,583</u>	<u>974,340</u>	<u>934,297</u>	<u>861,376</u>
Net income (loss)	<u>\$ (2,570)</u>	<u>\$ (314,682)</u>	<u>\$ (556,869)</u>	<u>\$ (385,204)</u>
	Hazelwood Ankeny, LP	Rockwood Housing, LP	Rosewood Plaza, LP	Rosewood Stark, LP
Property, net	\$ 1,863,215	\$ 7,887,718	\$ 2,830,912	\$ 1,039,531
Required reserves	13,360	338,989	262,010	-
Other assets	<u>3,025,539</u>	<u>139,080</u>	<u>144,831</u>	<u>9,845,144</u>
Total assets	<u>\$ 4,902,114</u>	<u>\$ 8,365,787</u>	<u>\$ 3,237,753</u>	<u>\$ 10,884,675</u>
Long-term debt	\$ 3,382,464	\$ 6,089,548	\$ 1,791,147	\$ 7,312,118
Other liabilities	453,282	166,956	288,334	1,876,276
Partners' equity (deficit)	<u>1,066,368</u>	<u>2,109,283</u>	<u>1,158,272</u>	<u>1,696,281</u>
Total liabilities and partners' equity	<u>\$ 4,902,114</u>	<u>\$ 8,365,787</u>	<u>\$ 3,237,753</u>	<u>\$ 10,884,675</u>
Revenues	\$ 30,508	\$ 502,194	\$ 431,023	\$ -
Expenses	<u>131,270</u>	<u>745,183</u>	<u>471,731</u>	<u>1,584</u>
Net income (loss)	<u>\$ (100,762)</u>	<u>\$ (242,989)</u>	<u>\$ (40,708)</u>	<u>\$ (1,584)</u>

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE D – GRANTS AND ACCOUNTS RECEIVABLE**

At June 30, the following grants and accounts receivable were outstanding:

	<u>2022</u>	<u>2021</u>
Government grants and contract payments receivable	\$ 3,731,547	\$ 2,273,203
Other receivables	<u>530,301</u>	<u>1,304,717</u>
	<u>\$ 4,261,848</u>	<u>\$ 3,577,920</u>

**NOTE E – RESTRICTED DEPOSITS AND FUNDED RESERVES**

In accordance with the requirements of various agreements with funders, at June 30, 2022, the Organization maintains \$3,692,648 in total restricted deposits, including security deposits of \$185,508, and funded reserves for the renewal and replacement of specific property and related capital improvements.



**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE F – RECEIVABLES FROM AFFILIATED ORGANIZATIONS**

Receivables from affiliates at June 30, 2022 consist of the following:

Aldercrest Gresham, LP - Long-term note receivable; interest at 5%; principal payable from gross cash receipts; due February 2078.	\$ 1,200,000
Aldercrest Gresham, LP - Long-term note receivable; interest at 5%; principal payable from gross cash receipts; due February 2078.	360,000
DV-Halsey 106 QEI, LLC - Long term note receivable, interest at 2.1176% payable quarterly, principal payable quarterly starting March 2026, balance due December 2055.	6,161,800
Fairview Arms, LP - Long-term note receivable; interest at 2.6%; principal payable from gross cash receipts; balance due December 2072.	1,656,249
Fairview Arms, LP - Long-term note receivable; interest at 0%; balance due December 2072.	33,867
Gateway Halsey, LP - Long-term note receivable; interest at 3%; principal payable from gross cash receipts; due December 2074.	220,000
Hazelwood Ankeny, LP - Long-term note receivable; interest at 4%; principal payable from gross cash receipts; due November 2061.	2,139,879
Hazelwood Ankeny, LP - Long-term note receivable; interest at 0%; principal payable from gross cash receipts; due November 2061.	1,379,375
Rockwood Housing, LP - Long-term note receivable; interest at 0%; principal payable from gross cash receipts; balance due October 2065.	1,429,944
Rosewood Plaza, LP - Long-term note receivable; interest at 0%; principal payable from gross cash receipts; balance due January 2076.	694,192
Rosewood Plaza, LP - note receivable; interest at 0%; remaining principal payable from gross cash receipts due 2030.	<u>139,912</u>
	<u>\$ 15,415,218</u>

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE F – RECEIVABLES FROM AFFILIATED ORGANIZATIONS (CONTINUED)**

Interest receivable from the affiliates at June 30, 2022 consists of the following:

Fairview Arms, LP	\$	224,350
Aldercrest Gresham, LP		<u>52,056</u>
	\$	<u><u>276,406</u></u>

**NOTE G – INVESTMENTS IN AFFILIATED ORGANIZATIONS**

The Organization is the sponsor and general partner of the following limited partnerships and limited liability corporations:

	Ownership Interest	Investment	Equity in Earnings (Losses) of Affiliates
Aldercrest Gresham, LP	0.01%	\$ 100	\$ -
Fairview Arms, LP	0.01%	3	(31)
Gateway Halsey, LP	0.01%	44	(56)
Glisan Commons Phase I, LP	0.01%	(44,048)	(39)
Hazelwood Ankeny, LP	0.01%	90	(10)
Rockwood Housing, LP	0.01%	61,297	(24)
Rosewood Plaza, LP	0.01%	(712)	(7)
Rosewood Stark, LP	0.01%	<u>100</u>	<u>-</u>
		<u>\$ 16,874</u>	<u>\$ (167)</u>

Each of the entities listed above was formed under the laws of the State of Oregon for the purpose of rehabilitating, constructing, operating, and/or investing in LIHTC projects.

**NOTE H – LAND, BUILDING, AND EQUIPMENT**

A summary of the land, buildings and equipment at June 30, 2022 is as follows:

Land and improvements	\$	6,552,916
Buildings and building improvements		54,086,018
Furnishings and equipment		2,163,096
Construction in progress		<u>1,661,372</u>
		64,463,402
Less accumulated depreciation		<u>(28,762,612)</u>
	\$	<u><u>35,700,790</u></u>

**HUMAN SOLUTIONS, INC.  
dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE H – LAND, BUILDING, AND EQUIPMENT (CONTINUED)**

Several housing projects funded by restricted grants and contracts are represented in the above categories of land and buildings. In accordance with contract stipulations, these properties must remain available to eligible low-income households in accordance with the Low Income Housing Preservation and Resident Homeownership Act and other standards. Failure to retain this housing exclusively for eligible low-income families and individuals could result in revocation of the grants and the return of all funds received plus interest since the date of the first advance.

As of June 30, 2022, the Organization has complied with all asset restrictions referred to above and has the intention and ability to continue to comply with those restrictions. Accordingly, no restricted net assets or liability have been recorded on the accompanying financial statements as the Organization considers it remote the restrictions will not be met.

**NOTE I – LINE OF CREDIT AND OTHER AVAILABLE CREDIT**

The Organization has a secured revolving line of credit with Umpqua Bank for borrowings of up to \$1,000,000. The line matures in June 2024, and provides interest at the greater of the Umpqua Bank Base Rate Index plus 0.75% or a floor rate of 4%. The Index is the Prime Rate set by the Bank. The interest rate at June 30, 2022 was 6.25%. \$0 was outstanding at June 30, 2022.

**NOTE J – LONG-TERM DEBT**

The acquisition and rehabilitation of the Organization's properties include costs financed through loans received from various parties. The following obligations, all secured by property and associated trust deeds unless noted otherwise, were outstanding at June 30, 2022:

**Briarwood East**

Note payable to the City of Portland (through the Portland Housing Bureau); interest at 4.25%; principal and interest due in monthly installments of \$8,911 through October 2031.	\$ 816,476
--	------------

Note payable to the City of Portland (through the Portland Housing Bureau); interest 0%; payable from excess cash flow; unpaid principal due September 2041.	725,044
--	---------

**Carolyn Gardens**

Loan payable to Heritage Bank of \$1,650,000 (financed with bonds through the Oregon Facilities Authority SNAP Revenue Note, 2019 Series A, issued by the Authority.) Principal and interest payments of \$9,378 are due monthly beginning August 2019 through reset date, reamortized thereafter; Current interest rate is 4.65% until 2 reset dates, July 1, 2029 and July 1, 2039. Reset rates will adjust to FHLB rate at that date plus 2.75% margin multiplied by 0.8088. The loan matures July 2044, and is callable by both lender and borrower at each reset date.	1,543,402
Less unamortized debt issuance costs	(37,368)
	1,506,034

**HUMAN SOLUTIONS, INC.  
dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE J – LONG-TERM DEBT (CONTINUED)**

Note payable to the City of Portland (through the Portland Housing Bureau); interest 0%; debt service payments are due annually only if, and to the extent of, 50% of excess cash flows; unpaid principal due September 2079. 146,100

**Cascade Crossing**

Note payable to Walker & Dunlop, LLC; interest 3.81% per annum; principal and interest due in monthly installments of \$17,961; unpaid principal and interest due at the earlier of maturity date of October 1, 2023; structured as a defeased loan with prepayment premiums under certain conditions. 3,427,805

**Cedars**

Notes payable to Beneficial State Bank; interest at floor rate of 4.55%; due in monthly amortizing installments of \$8,715 for 60 months. Beginning July 2024, the interest rate will be calculated at LIBOR/SOFR plus a margin of 2.25%; maturity July 2049. 1,615,678

**Douglas Meadows**

Note payable to Clackamas County Bank; interest at 7.75%; due in monthly amortizing installments of \$610 through July 2023 with a balloon payment for the outstanding balance as of July 2023. \$ 53,547

Note payable to Clackamas County Bank; interest at 2.87%; due in amortizing monthly installments of \$1,626 through July 2023, with a balloon payment for the outstanding balance as of July 2023. 182,637

**Greentree Court**

Note payable to Clackamas County Bank; Fixed At 5.99% until June 2023, then variable interest at Federal Home Loan Bank of Des Moines Five Year Advance Rate index plus 3.0%, due on demand, or if no demand is made, in monthly amortizing installments of \$2,517 through June 2028, with a balloon payment for the outstanding balance as of June 2028. 185,707

**Lincoln Woods**

Note payable to Chase Bank; Fixed at 6.11%, due in monthly amortizing installments of \$16,561.30, all and any remaining unpaid principal of and interest on Note is due and payable in full on November 1, 2027 1,987,794

Note payable to the City of Portland; Borrower shall pay Lender one-half of Excess Cash Flow from the previous years operating cash flow for the project until maturity on November 1, 2047 448,064

**HUMAN SOLUTIONS, INC.  
dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE J – LONG-TERM DEBT (CONTINUED)**

**The Pines Housing, Inc.**

Note payable to Huntoon Hastings, Inc.; interest at 6.25%; provides for borrowings up to \$1,955,000; interest only payments through April 2013; thereafter monthly principal and interest payments of \$11,099; maturity April 2053.	1,819,322	
Less unamortized debt issuance costs	(182,897)	1,636,425

**Rockwood MSC**

Note payable to the City of Gresham; principal and interest at 2.81% due quarterly beginning August 2018; maturity date August 2030.		875,234
--	--	---------

**Rosewood Commercial Condo LLC**

Note payable to Columbia Bank; interest at 5.26% until December 2021, then at the greater of the Federal Home Loan Bank of Des Moines Five Year Advance Rate index plus 3.0% or 5.26% floor; principal and interest due in monthly installments of \$3,660; unpaid principal and interest due at maturity December 2031.		530,171
--	--	---------

**SE 133rd**

Note payable to Multnomah County; interest 0%; note forgiveness of principal at maturity date of March 2064 unless an event of default occurs.	\$	13,037
--	----	--------

**The Nick Fish (unit 3)**

Note payable to the City of Portland (through Prosper Portland); interest at 2.5%; debt service payments are due annually only if, and to the extent of, 100% of excess cash flows beginning May 1, 2022 through May 1, 2025 then beginning May 1, 2026 80% of excess cash flows; unpaid principal due August 1, 2059.	4,044,617	
Note payable to the City of Portland (through Prosper Portland); interest at 4% beginning November 1, 2021; principal and interest due in quarterly installments of \$21,180 starting January 2022; unpaid principal due September 1, 2026.	1,576,714	
Note payable to Prosper Portland, the assumed business name of the Portland Development Commission; interest accrues on the outstanding principal balance at a fixed rate of 0.00% during construction and 4.00% per annum, commencing on November 1, 2021. On November 1, 2021 and continuing on the first day of each month through September 1, 2026, the maturity date, payments of principal and interest of \$1,496 are due and payable. Up to \$337,975 is available.	310,618	
Less unamortized debt issuance costs	(46,308)	5,885,641

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE J – LONG-TERM DEBT (CONTINUED)**

**The Nick Fish (unit 2)**

Notes payable to DVCI CDE XXXIX, LLC. Pursuant to the DVCI CDE XXXIX Loan Agreement, DVCI CDE XXXIX made loans to the Organization in the amounts of \$151,000 ("Loan A"), \$4,044,737 ("Loan B"), \$2,942,200 ("Loan C"), and \$1,592,063 ("Loan D"), (collectively, the "DVCI CDE XXXIX Loans"); interest accrues on the outstanding principal balance of the DVCI CDE XXXIX. Loans at a fixed rate of 1.4946%. Payments of interest only are due and payable quarterly commencing on December 1, 2019, and continuing through December 1, 2025. On March 1, 2026 and continuing through December 1, 2055, the maturity date, payments of principal and interest on the DVCI CDE XXXIX Loans are due and payable in quarterly installments of \$75,214. On September 30, 2026, the Organization shall make a principal payment on Loan D in the amount of \$1,483,657.

\$ 8,730,000

Note payable to DVCI CDE XXXV, LLC; interest accrues on the outstanding principal of the DVCI CDE XXXV loan at a fixed rate of 5.5%; payments of interest only are due and payable quarterly commencing on December 1, 2019, and continuing through December 1, 2025. On December 21, 2025, the maturity date, the Organization shall pay all unpaid interest and outstanding principal.

943,982

Less unamortized debt issuance costs

(563,609)

\$ 9,110,373

The DVCI CDE XXXIX Loans and DVCI CDE XXXV Loan are intended to constitute qualified low-income community investments ("QLICs") and, for such purpose, the organization must be and remain a QALICB, as such terms are defined in Section 45D of the Internal Revenue Code for the entire seven year New Markets Tax Credit ("MNTC") compliance period.

Note payable to Low Income Investment Fund ("LIIF"); interest accrues on the outstanding principal balance at a fixed rate of 5.49%; commencing on June 10, 2020, the Organization shall pay interest only through June 10, 2021, on July 10, 2021 and continuing through September 1, 2026 the maturity date, payments of principal and interest of \$7,975 are due and payable, equal to the amounts identified in the loan agreement. Up to \$1,300,000 is available.

1,183,887

Less unamortized debt issuance costs

(134,186)

1,049,701

**Whispering Winds**

Note payable to the City of Portland (through the Portland Housing Bureau); interest 0%; all unpaid principal and interest due in December 1, 2070.

140,000

Less unamortized debt issuance costs

(1,793)

138,207

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE J – LONG-TERM DEBT (CONTINUED)**

Note payable to Beneficial State Bank; interest initially at 3.75%; payment of interest only through July 2021, \$25,525 principal and interest at 3.75% from August 2021 through July 2025, then principal and interest at LIBOR six month plus 2.5% through June 2050. All remaining principal and interest due July 2051. The interest rate floor is 3.75%, and the ceiling 9.75%.

Note payable contains financial covenants that have not been met, and for which a bank waiver has not been obtained. \$ 5,269,278

Less unamortized debt issuance costs	(21,119)	
		\$ 5,248,159

Note payable to Portland Housing Bureau; interest will accrue on the unpaid principle from the start of the loan September 13, 2021 at the rate of zero percent per annum; beginning April 1, 2024, and on the first day of April each year thereafter, borrower will pay to Lender, one-half of Excess Cash Flow until December 1, 2081 when entire note is paid.

1,238,112

\$ 36,819,946

Future maturities of notes payable consist of the following:

Year Ending June 30,	
2023	\$ 5,431,925
2024	520,279
2025	546,164
2026	1,517,041
2027	4,814,679
2028 and thereafter	<u>23,989,858</u>
	<u>\$ 36,819,946</u>

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE K – RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES**

At June 30, 2022, net assets with donor restrictions are available for the following purposes:

For timing and specific purpose:	
Capital projects	\$ 400,000
For specific purposes:	
Other programs	<u>433,856</u>
	\$ <u>833,856</u>
Board designated asset management reserve - used to make unanticipated investments in the maintenance and operation of the Organization housing portfolio.	\$ 547,765
Board designated predevelopment reserve - to fund due diligence activities to determine project feasibility	91,008
Board designated operating reserve - consists of funds in excess of the current anticipated cashflow needs	<u>1,213,553</u>
	\$ <u>1,852,326</u>

**NOTE L – NET ASSETS RELEASED FROM RESTRICTIONS**

During the year ended June 30, 2022, net assets as follows were released from restrictions by incurring expenses in satisfaction of the restricted purposes specified by the Organization's donors, or by the occurrence of other events specified by donors:

Net assets released from restrictions:	
For operating purposes	\$ <u>398,601</u>
	\$ <u>398,601</u>

**NOTE M – CONTINGENT LIABILITIES**

The Organization has entered into several "cash flow" financing agreements with the Portland Housing Bureau ("PHB") for the financing of certain property, whereby if the properties are sold, transferred, refinanced or changed as to use, the outstanding balance of the financing must be reported immediately to PHB and be subject to potential repayment. In addition, if the operation of any of the properties demonstrates surplus revenue in excess of 1.15 times annual debt service in any single year of its operation, the excess must be shared equally with PHB. No material amounts were received under such "cash flow" financing agreements and were payable to PHB during the year ending June 30, 2022.

The Organization also has entered into a \$75,000 forgivable 0% loan with Multnomah County. The agreement has no payment due and will be forgiven in 2027 as long as the terms of the loan are complied with.



**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE N – COMMITMENTS, CONTINGENCIES AND UNCERTAINTIES**

The Organization is the general partner in several LIHTC partnerships established for the purpose of developing and managing various LIHTC projects. The partnership agreements provide for various obligations of the general partner including, in certain cases, a requirement to provide funds for any operating deficits. The Organization also guarantees the payment of outstanding loans incurred for these projects in the event of default by the partnerships. The financial statements do not include any adjustment for potential losses if these partnerships are unable to continue as going concerns or require other infusions of cash.

Other claims arising in the normal course of operations have been filed against the Organization. Certain claims are covered by insurance and have been tendered to the Organization's public liability insurer. In management's opinion, these claims will not result in material losses to the Organization.

In addition, certain amounts received or receivable under the Organization's contracts with the City of Portland, the City of Gresham, Multnomah County, the U.S. Department of Housing and Urban Development, the U.S. Department of Health and Human Services, the State of Oregon, and others are subject to audit and adjustment by those contracting agencies and others. Any expenditures or claims disallowed as a result of such audits would become a liability of the Organization's unrestricted fund. In the opinion of the Organization's management, any adjustments that might result from such audits would not be material to the Organization's overall financial statements.

**Land Lease**

On August 27, 2019 (the "Commencement Date"), the Organization entered into a Lease with Gateway Halsey Limited Partnership (the "Lessor"), whereby the Organization leased land underlying Unit 2 and Unit 3 (the "Property"), from the Lessor. On November 24, 2021, Gateway Halsey, LP terminated the lease. The Organization continues to lease the property from Prosper Portland under the same lease terms.

The term of the lease is from the Commencement Date to August 27, 2118. The base rent for the first two years of the lease, as further defined in the Lease, is prepaid on the Commencement Date in the amount of \$43,897. The base rent of the Property is \$21,624 for the initial year and increasing by 3% annually thereafter. The Payment will be made on the first day of the first calendar month of the third Lease Year, in which one-twelfth of the base rent for the applicable Lease Year shall be paid to Lessor.

Future annual base rent payment under the Lease due from the Organization are as follow:

Year Ending June 30,		
<u>                    </u>		
2023	\$	23,514
2024		24,218
2025		24,946
2026		25,698
2027		26,464
Thereafter		<u>12,541,442</u>
Total	\$	<u><u>12,666,282</u></u>

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE O – LIQUIDITY**

The following represents the Organization's financial assets available to meet cash needs for general expenditures within one year of June 30, 2022:

Financial assets at year-end	
Cash and cash equivalents	\$ 1,191,748
Accounts receivable	4,261,848
Restricted deposits and funded reserves	3,692,648
Notes and interest receivables from affiliated organizations	<u>15,691,624</u>
Total financial assets	<u>24,837,868</u>
Less amounts unavailable for general expenditure within one year:	
Contractual or donor-imposed restrictions:	
Restricted by donor	833,856
Restricted deposits and funded reserves	1,840,322
Notes and interest receivables from affiliated organizations	<u>15,691,624</u>
Board designations:	
Board-designated asset management reserve	547,765
Board-designated predevelopment reserve	91,008
Board-designated operating reserve	<u>1,213,553</u>
Total unavailable financial assets	<u>20,218,128</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,619,740</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE P – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 15, 2023, which is the date the financial statements were available to be issued.

Hazelwood Ankeny, LP - In October 2022, Hazelwood Ankeny, LP, of which the Organization is the General Partner, substantially completed construction on rehabilitation of the 42 affordable housing units in Portland known as Ankeny Woods Apartments. With the completion of construction, as well as having met the stabilized occupancy and operations requirements of the permanent finance lender Banner Bank, the entity completed an early optional redemption of its \$5,400,000 short-term bonds in May 2023. With this option redemption, the project converted to its permanent financing of \$2,400,000 of long-term bonds from Banner Bank. The Organization is the guarantor of the entity's obligations.

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2022**

**NOTE P – SUBSEQUENT EVENTS (CONTINUED)**

Aldercrest Gresham, LP – In January 2023, Aldercrest Gresham, LP, of which the Organization is the sole manager and member of Aldercrest GP, LLC, the General Partner of the LP, completed construction on rehabilitation of 68 affordable housing units in Gresham known as Aldercrest Apartments. With the completion of construction, as well as having met the stabilized occupancy and operations requirements of the permanent finance lender JP Morgan Chase, the entity closed on permanent financing of \$7,500,000 in June 2023. The Organization and Green Light Investments LLC are collectively the guarantors of the entity's obligations.

**OTHER INFORMATION**

**HUMAN SOLUTIONS, INC.  
dba OUR JUST FUTURE AND OTHER ENTITIES**

**PROPERTIES OWNERSHIP SCHEDULE**

**Year Ended June 30, 2022**

***Properties Owned Directly by  
Human Solutions, Inc. dba Our Just  
Future:***

Briarwood East  
Carolyn Gardens  
Columbia View  
Douglas Meadows  
Greentree Court  
Ivon Court

***Combined Entities: Low Income Housing  
Preservation and Resident Homeownership  
Act Projects:***

The Pines Housing, Inc.

***Equity Investments and Consolidated Subsidiaries:***

<b>Property</b>	<b>Ownership Entity (OE)</b>	<b>OE Owners</b>	<b>%</b>	<b>HSI Accounting Method for OE Owners</b>
Aldercrest	Aldercrest Gresham, LP	<ul style="list-style-type: none"> <li>● GP-HSI through Aldercrest GP, LLC</li> <li>● LP-external investors</li> </ul>	0.01% 99.99%	In consolidation Equity
Cascade Crossing	Cascade Crossing Development, LLC	● HSI	100%	In consolidation
The Cedars	HS Cedars, LLC	● HSI	100%	In consolidation
Fairview Arms	Fairview Arms, LP	<ul style="list-style-type: none"> <li>● GP-HSI through Fairview GP, LLC</li> <li>● LP-external investors</li> </ul>	0.01% 99.99%	In consolidation Equity
Hazelwood	Hazelwood Ankeny, LP	<ul style="list-style-type: none"> <li>● GP - HSI through Hazelwood Ankeny GP, LLC</li> <li>● LP-external investors</li> </ul>	0.01% 99.99%	In consolidation Equity
Glisan Commons	Glisan Commons Phase I, LP	<ul style="list-style-type: none"> <li>● GP-HSI through HSI Glisan Commons, LLC</li> <li>● LP-external investors</li> </ul>	0.01% 99.99%	In consolidation Equity
Lincoln Woods	Lincoln Woods Housing, LP	<ul style="list-style-type: none"> <li>● GP-HSI</li> <li>● LP-HSI through Lincoln Woods Developer, LLC</li> </ul>	0.01% 99.99%	In consolidation In consolidation
The Nick Fish-residential	Gateway Halsey, LP	<ul style="list-style-type: none"> <li>● GP-HSI through Gateway GP, LLC</li> <li>● LP - external investors</li> </ul>	0.01% 99.99%	In consolidation Equity
The Nick Fish-commercial	Gateway QALICB, Inc.	● HSI controls tHSI 501(c)(3)	NA	In consolidation
Rockwood - residential	Rockwood Housing, LP	<ul style="list-style-type: none"> <li>● GP-HSI through Rockwood Building, LLC</li> <li>● LP-external investors</li> </ul>	0.01% 99.99%	In consolidation Equity
Rockwood - commercial	Rockwood MSC QALICB, Inc.	● HSI controls this 501(c)(3)	NA	In consolidation
Rosewood - residential	Rosewood Plaza, LP	<ul style="list-style-type: none"> <li>● GP-HSI through 18155 NE Couch Street Associates, LLC</li> <li>● LP-external investors</li> </ul>	0.01% 99.99%	In consolidation Equity
Rosewood - commercial	Rosewood Commercial Condo, LLC	● HSI	100%	In consolidation
Rosewood Stark	Rosewood Stark, LP	<ul style="list-style-type: none"> <li>● GP-HSI through Rosewood Stark GP, LLC</li> <li>● LP-external investors</li> </ul>	0.01% 99.99%	In consolidation Equity
Whispering Winds	Whispering Winds Housing, LP	<ul style="list-style-type: none"> <li>● GP-HSI through Arbor Glen GP, LLC</li> <li>● LP-HSI</li> </ul>	0.01% 99.99%	In consolidation In consolidation

**NOTE:** All LLCs above are 100% owned by HSI.

See independent auditor's report.

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**PROPERTIES AND AFFILIATED ENTITIES SCHEDULE OF ASSETS, LIABILITIES, AND NET ASSETS (UNAUDITED)**

**June 30, 2022**

**ASSETS**

**Affiliated Entities at December 31, 2021**

	<b>HSI and Combined Entities</b>	<b>Aldercrest Gresham, LP</b>	<b>Fairview Arms, LP</b>	<b>Hazelwood Ankeny, LP</b>	<b>Gateway Halsey, LP</b>	<b>Glisan Commons, LP</b>	<b>Rockwood Housing, LP</b>	<b>Rosewood Plaza, LP</b>	<b>Rosewood Stark, LP</b>	<b>Total Affiliated Entities</b>	<b>Total</b>
Cash and cash equivalents	\$ 1,191,748	\$ 51,323	\$ 58,834	\$ 245,531	\$ 1,648,851	\$ 32,611	\$ 49,266	\$ 76,404	\$ 793,740	\$ 2,956,560	\$ 4,148,308
Grants and accounts receivable	4,261,848	7,344	48,266	5,162	31,411	32,076	31,730	15,971	-	171,960	4,433,808
Developer fee receivable	1,512,600	-	-	-	-	-	-	-	-	-	1,512,600
Prepaid expenses and other assets	658,404	-	37,640	-	1,800	3,776	10,147	12,522	-	65,885	724,289
Restricted deposits and funded reserves	3,692,648	-	496,473	13,360	-	414,555	338,989	262,010	-	1,525,387	5,218,035
Interest receivable from affiliated organizations	276,406	-	-	-	-	-	-	-	-	-	276,406
Receivables from affiliated organizations	15,415,218	-	-	-	-	-	33,301	4,972	53,676	91,949	15,507,167
Investments in affiliated organizations	16,874	-	-	-	-	-	-	-	-	-	16,874
Deferred financing costs, net	-	-	43,614	95,808	76,525	27,765	14,636	34,932	-	293,280	293,280
Land, buildings, and equipment, net	35,700,790	10,170,224	10,501,024	4,542,253	15,348,157	9,691,505	7,887,718	2,830,942	10,037,259	71,009,082	106,709,872
<b>Total assets</b>	<b>\$ 62,726,536</b>	<b>\$ 10,228,891</b>	<b>\$ 11,185,851</b>	<b>\$ 4,902,114</b>	<b>\$ 17,106,744</b>	<b>\$ 10,202,288</b>	<b>\$ 8,365,787</b>	<b>\$ 3,237,753</b>	<b>\$ 10,884,675</b>	<b>\$ 76,114,103</b>	<b>\$ 138,840,639</b>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 4,153,552	\$ 305,847	\$ 49,536	\$ 431,750	\$ 485,031	\$ 47,154	\$ 96,459	\$ 78,405	\$ 1,876,276	\$ 3,370,458	\$ 7,524,010
Accrued payroll and related expenses	1,037,784	-	-	-	-	17,850	-	-	-	17,850	1,055,634
Deferred revenue	191,394	-	9,430	33	25,281	5,459	21,141	30,430	-	91,774	283,168
Tenant security deposits	185,508	-	11,403	13,161	16,659	25,889	16,701	22,264	-	106,077	291,585
Development fee payable	-	-	-	-	1,033,643	-	27,878	155,139	-	1,216,660	1,216,660
Long-term debt	36,819,946	7,650,082	4,713,195	3,390,802	14,917,030	4,099,486	6,094,325	1,793,243	7,312,118	49,970,281	86,790,227
<b>Total liabilities</b>	<b>42,388,184</b>	<b>7,955,929</b>	<b>4,783,564</b>	<b>3,835,746</b>	<b>16,477,644</b>	<b>4,195,838</b>	<b>6,256,504</b>	<b>2,079,481</b>	<b>9,188,394</b>	<b>54,773,100</b>	<b>97,161,284</b>
<b>Net assets</b>											
Without donor restrictions	19,504,496	2,272,962	6,402,287	1,066,368	629,100	6,006,450	2,109,283	1,158,272	1,696,281	21,341,003	40,845,499
With donor restrictions	833,856	-	-	-	-	-	-	-	-	-	833,856
<b>Total net assets</b>	<b>20,338,352</b>	<b>2,272,962</b>	<b>6,402,287</b>	<b>1,066,368</b>	<b>629,100</b>	<b>6,006,450</b>	<b>2,109,283</b>	<b>1,158,272</b>	<b>1,696,281</b>	<b>21,341,003</b>	<b>41,679,355</b>
<b>Total liabilities and net assets</b>	<b>\$ 62,726,536</b>	<b>\$ 10,228,891</b>	<b>\$ 11,185,851</b>	<b>\$ 4,902,114</b>	<b>\$ 17,106,744</b>	<b>\$ 10,202,288</b>	<b>\$ 8,365,787</b>	<b>\$ 3,237,753</b>	<b>\$ 10,884,675</b>	<b>\$ 76,114,103</b>	<b>\$ 138,840,639</b>

See independent auditor's report

**HUMAN SOLUTIONS, INC.**  
**dba OUR JUST FUTURE AND OTHER ENTITIES**

**PROPERTIES AND AFFILIATED ENTITIES SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (UNAUDITED)**

**June 30, 2022**

	<b>Affiliated Entities at December 31, 2021</b>										
	<b>HSI and Combined Entities</b>	<b>Aldercrest Gresham, LP</b>	<b>Fairview Arms, LP</b>	<b>Hazelwood Ankeny, LP</b>	<b>Gateway Halsey, LP</b>	<b>Glisan Commons, LP</b>	<b>Rockwood Housing, LP</b>	<b>Rosewood Plaza, LP</b>	<b>Rosewood Stark, LP</b>	<b>Total Affiliated Entities</b>	<b>Total</b>
<b>Operating revenues, gains, and other support</b>											
Government grants and contracts	\$ 15,695,817	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,695,817
Private grants and contributions	1,167,850	-	-	-	-	-	-	-	-	-	1,167,850
Rental income	5,017,215	59,013	649,942	30,508	368,254	443,818	465,280	391,415	-	2,408,230	7,425,445
Development fees	2,772,957	-	-	-	-	-	-	-	-	-	2,772,957
Management fees	256,897	-	-	-	-	-	-	-	-	-	256,897
Program income	243,167	-	-	-	-	-	-	-	-	-	243,167
Investment income	-	-	-	-	-	-	-	-	-	-	-
Other income	449,453	-	9,716	-	9,174	32,354	36,914	39,608	-	127,766	577,219
Less pass-through revenue and in-kind contributions	(980,585)	-	-	-	-	-	-	-	-	-	(980,585)
<b>Total operating revenues, gains, and other support</b>	<b>24,622,771</b>	<b>59,013</b>	<b>659,658</b>	<b>30,508</b>	<b>377,428</b>	<b>476,172</b>	<b>502,194</b>	<b>431,023</b>	<b>-</b>	<b>2,535,996</b>	<b>27,158,767</b>
<b>Expenses</b>											
Program services											
Properties	6,867,313	61,583	974,340	131,270	934,297	861,376	745,183	496,731	1,584	4,206,364	11,073,677
Housing & development	3,539,155	-	-	-	-	-	-	-	-	-	3,539,155
Shelter services	3,662,244	-	-	-	-	-	-	-	-	-	3,662,244
Community programs	8,002,954	-	-	-	-	-	-	-	-	-	8,002,954
Career & economic development	1,006,574	-	-	-	-	-	-	-	-	-	1,006,574
<b>Total program services</b>	<b>23,078,240</b>	<b>61,583</b>	<b>974,340</b>	<b>131,270</b>	<b>934,297</b>	<b>861,376</b>	<b>745,183</b>	<b>496,731</b>	<b>1,584</b>	<b>4,206,364</b>	<b>27,284,604</b>
Supporting services											
Management and general	2,047,904	-	-	-	-	-	-	-	-	-	2,047,904
Fundraising	801,335	-	-	-	-	-	-	-	-	-	801,335
<b>Total expenses</b>	<b>25,927,479</b>	<b>61,583</b>	<b>974,340</b>	<b>131,270</b>	<b>934,297</b>	<b>861,376</b>	<b>745,183</b>	<b>496,731</b>	<b>1,584</b>	<b>4,206,364</b>	<b>30,133,843</b>
<b>Increase (decrease) in net assets before non-operating transactions</b>	<b>(1,304,708)</b>	<b>(2,570)</b>	<b>(314,682)</b>	<b>(100,762)</b>	<b>(556,869)</b>	<b>(385,204)</b>	<b>(242,989)</b>	<b>(65,708)</b>	<b>(1,584)</b>	<b>(1,670,368)</b>	<b>(2,975,076)</b>
<b>Non-operating activities:</b>											
Capital grants received for the acquisition of property	2,939,375	-	-	-	-	-	-	-	-	-	2,939,375
Transfer of assets to/from partnership	(727,014)	-	-	-	-	-	-	-	-	-	(727,014)
<b>Total non-operating activities</b>	<b>2,212,361</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,212,361</b>
<b>Increase (decrease) in net assets</b>	<b>907,653</b>	<b>(2,570)</b>	<b>(314,682)</b>	<b>(100,762)</b>	<b>(556,869)</b>	<b>(385,204)</b>	<b>(242,989)</b>	<b>(65,708)</b>	<b>(1,584)</b>	<b>(1,670,368)</b>	<b>(762,715)</b>
Net assets beginning of year	19,430,699	-	6,716,969	-	1,185,969	6,391,654	2,352,272	1,223,980	-	17,870,844	37,301,543
Capital contribution	-	2,275,532	-	1,167,130	-	-	-	-	1,697,865	5,140,527	5,140,527
<b>Net assets at end of year</b>	<b>\$ 20,338,352</b>	<b>\$ 2,272,962</b>	<b>\$ 6,402,287</b>	<b>\$ 1,066,368</b>	<b>\$ 629,100</b>	<b>\$ 6,006,450</b>	<b>\$ 2,109,283</b>	<b>\$ 1,158,272</b>	<b>\$ 1,696,281</b>	<b>\$ 21,341,003</b>	<b>\$ 41,679,355</b>

See independent auditor's report

**HUMAN SOLUTIONS, INC.  
dba OUR JUST FUTURE AND OTHER ENTITIES**

**GOVERNING BOARD AND MANAGEMENT**

**Year Ended June 30, 2022**

**Board of Directors:**

Verlea Briggs, **President**  
Portland General Electric

Lydia Gray-Holifield, **Vice President**  
Impact NW

Dave Dyk, **Secretary**  
Betterment

Adam Abplanalp, CPA, **Treasurer**  
Cobalt, P.C.

Dawn Bush  
Kaiser Permanente

JoAnn Hardesty  
Hardesty Consulting

Hugh Harris  
East County Rising

JR Lilly  
East Portland Action Plan Advocate

Amy Setzer  
Community Member

Cathy Sherick  
Community Volunteer

Ashton Simpson  
Oregon Walks

Jon Stride, Attorney  
Tonkon Torp

Andrea Valderrama  
Representative - District 57  
Oregon State Legislature

**Management:**

Andy Miller  
Executive Director

Tanja Lux  
Chief Financial Officer

Nancy Jason  
Interim Chief Program Officer

Sarah Schubert  
Director of Housing

Ricardo Lopez  
Director of Career and Economic Development

Lisa Frack  
Director of Development

Marisa Messina  
Human Resource Manager

**INQUIRIES AND OTHER INFORMATION**

**Administrative Offices:**

Human Solutions, Inc. dba Our Just Future  
10550 NE Halsey Street  
Portland, Oregon 97220

(503) 548-0200  
(503) 548-0292 (Fax)

**Website:**

[www.ourjustfuture.org](http://www.ourjustfuture.org)