NOVOGRADAC & COMPANY LLP®

# Human Solutions, Inc. dba Our Just Future

**Consolidated Financial Statements and Supplementary Information with Report of Independent Auditors**

**June 30, 2024 and 2023**

**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**

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**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**
MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2024

Founded in 1988, Our Just Future (then Human Solutions) began by working with seniors and households in East Portland and East Multnomah County with low incomes to provide home weatherization and utility assistance. Over the years, we adapted our programming to meet the needs of the community, expanding our services to include eviction prevention, emergency shelter, housing placement, employment assistance, and affordable housing development for families and individuals with low incomes in East Portland and Multnomah County, Oregon.

**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 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 (SEP) for our 2019-23 fiscal years. This plan was extended due to COVID-related capacity limitations, still-relevant goals, and senior leadership turnover. We are committed to creating a new five-year plan in calendar year 2026.

Our current SEP has four top-line goals:

1. **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.

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

We would like to acknowledge the lateness of this audit. We strive to complete our audits on time each year, but this past year proved especially challenging for two key reasons:

1. In response to budget cuts from local and federal government agencies and

cash flow challenges, we cut 13 positions in our organization, including roles on our finance and housing teams. While restructuring those teams, several additional employees in key positions resigned, including our chief financial officer (CFO).

2. Pinehurst Property Management gave us notice in April 2024 that they would no longer manage properties in our portfolio as of May 2024. The trial balances that they delivered for the properties they managed were of low-quality and incomplete, which led to additional work for Our Just Future staff to complete.

To ensure these delays are not repeated, we have taken the following steps:

- We hired an interim CFO to oversee and complete key components of our audit while searching for a permanent CFO to ensure continuity and speediness of future financial reporting.
- The interim CFO will gather documents for the FY25 audit after the FY24 is completed.
- We have new property management companies who are delivering trial balances of better quality for our property audits.

**Key Housing Portfolio Transactions:**

In May 2023, Our Just Future and Edlen & Co. completed construction of The Aurora, a 93-unit affordable rental housing building in East Portland. The Aurora is Our Just Future's 19th affordable housing community. We financed the $39 million project with a mix of state and local sources, LIHTCs, and tax-exempt bonds. Sixteen apartments are set aside as housing-first supportive housing units for families transitioning from homelessness. These units have Project-Based Section 8 rental assistance and comprehensive wrap-around supportive services provided by Our Just Future. The first residents moved into the building in June 2023. The property completed to conversion in March of 2026.

**New Project Development**: Our Just Future made important progress advancing our next set of affordable housing developments:

1. In August 2022, OJF entered into a Purchase and Sale Agreement to acquire one acre in the Gateway neighborhood to develop into affordable housing. The site is in close proximity to The Nick Fish, another recently completed affordable housing community

and will support the development of approximately 100 new units of affordable housing. The purchase of the site will be financed with a Land Acquisition Program loan from the State of Oregon (OHCS). We will complete the purchase after the lot partition and replat is completed with the City of Portland.

2. In November 2022, Our Just Future secured a funding reservation from OHCS's Local Innovation Fast Track Program (LIFT) for a 124-unit building currently under construction. The affordable housing community is developed in partnership with APANO (Asian Pacific American Network of Oregon), a partner organization working with and representing the Asian and Pacific Islander communities of Oregon. The project will be located at SE 77th and SE Division in the Montavilla neighborhood on land leased from Portland Community College. Development is slated to be complete in June 2026.

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 also acknowledge the challenging times to come to our community as federal, state, and local governments cut and restrict funding. This makes the work that we do in the community more important than ever—today and for future generations!

Andy Miller, Executive Director

Verlea G. Briggs, Board

Report of Independent Auditors

To the Board of Directors of
Human Solutions, Inc. dba Our Just Future:

**Opinion**

We have audited the accompanying consolidated financial statements of Human Solutions, Inc. dba Our Just Future, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Human Solutions, Inc. dba Our Just Future as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Human Solutions, Inc. dba Our Just Future and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Change in Accounting Principle**

As discussed in Note 2 to the financial statements, Human Solutions, Inc. adopted accounting standards changes related to measuring and disclosing credit losses on financial assets. Our opinion is not modified with respect to this matter.

**Emphasis of Matter**

As discussed in Note 17 to the financial statements, the beginning balance of net assets has been restated to correct a misstatement resulting from improper recognition and elimination of developer fees. Our opinion is not modified with respect to this matter.

**Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 consolidated 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 Human Solutions, Inc. dba Our Just Future's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Human Solutions, Inc. dba Our Just Future's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Disclaimer of Opinion on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The detailed consolidated supplementary schedules, and management discussion and analysis, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated June 4, 2026, on our consideration of Human Solutions, Inc. dba Our Just Future's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Human Solutions, Inc. dba Our Just Future's 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 Human Solutions, Inc. dba Our Just Future's internal control over financial reporting and compliance.

Novogradac & Company LLP

Portland, Oregon
June 4, 2026

**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

| ASSETS | 2024 | 2023 (Restated) |
|---|---|---|
| Cash and cash equivalents | $ 3,508,483 | $ 2,683,253 |
| Restricted cash | 4,886,598 | 6,009,823 |
| Accounts receivable | 3,796,383 | 3,451,571 |
| Prepaid expenses | 388,083 | 354,734 |
| Note receivable | 6,161,800 | 6,161,800 |
| Land | 13,687,051 | 13,823,672 |
| Depreciable assets, net of accumulated depreciation | 117,179,252 | 120,095,241 |
| Construction-in-progress | 78,711 | 69,701 |
| Deferred charges, net of accumulated amortization | 736,545 | 813,521 |
| Operating lease right-of-use asset, net | 2,975,066 | 2,785,995 |
| Total assets | $ 153,397,972 | $ 156,249,311 |
| LIABILITIES AND NET ASSETS | | |
| Accounts payable | $ 2,584,615 | $ 2,166,408 |
| Security deposits payable | 334,550 | 316,144 |
| Cash overdraft | 46,986 | - |
| Prepaid rent | 164,760 | 363,179 |
| Accrued interest | 793,130 | 240,594 |
| Accrued expenses | 1,932,915 | 1,928,377 |
| Due to related parties | 169,507 | 135,657 |
| Operating lease liability | 3,108,608 | 3,039,610 |
| Notes payable, net of unamortized debt issuance costs | 93,049,513 | 98,200,602 |
| Total liabilities | 102,184,584 | 106,390,571 |
| NET ASSETS | | |
| Without donor restrictions | | |
| Controlling interest | 15,698,178 | 19,758,749 |
| Non-controlling interest | 34,463,552 | 29,205,618 |
| | 50,161,730 | 48,964,367 |
| With donor restrictions | 1,051,658 | 894,373 |
| Total net assets | 51,213,388 | 49,858,740 |
| Total liabilities and net assets | $ 153,397,972 | $ 156,249,311 |

see accompanying notes

**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the year ended June 30, 2024

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| NET ASSETS | | | |
| REVENUE AND OTHER SUPPORT | | | |
| Government grants and contracts | $ 15,829,865 | $ - | $ 15,829,865 |
| Private grants and contributions | 1,416,967 | 430,401 | 1,847,368 |
| Rental income | 10,079,707 | - | 10,079,707 |
| Development fees | - | - | - |
| Asset management and resident services fees | - | - | - |
| Investment income | 55,453 | - | 55,453 |
| Other income | 459,450 | - | 459,450 |
| Pass-through revenue and in-kind contributions | 457,756 | - | 457,756 |
| Net assets released from restrictions | 273,116 | (273,116) | - |
| Total revenue and other support | 28,572,314 | 157,285 | 28,729,599 |
| EXPENDITURES | | | |
| Program services | 32,518,963 | - | 32,518,963 |
| Administrative and support | 2,810,823 | - | 2,810,823 |
| Fundraising | 717,552 | - | 717,552 |
| Total expenditures | 36,047,338 | - | 36,047,338 |
| Change in net assets from operations | (7,475,024) | 157,285 | (7,317,739) |
| NONOPERATING ACTIVITIES | - | - | - |
| CHANGE IN NET ASSETS | (7,475,024) | 157,285 | (7,317,739) |
| NET ASSETS AT BEGINNING OF YEAR (RESTATED) | 48,964,367 | 894,373 | 49,858,740 |
| Limited partner contributions, net of distributions | 8,672,387 | | 8,672,387 |
| NET ASSETS AT END OF YEAR | $ 50,161,730 | $ 1,051,658 | $ 51,213,388 |

see accompanying notes

**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the year ended June 30, 2023

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| NET ASSETS | | | |
| REVENUE AND OTHER SUPPORT | | | |
| Government grants and contracts | $ 18,328,798 | $ - | $ 18,328,798 |
| Private grants and contributions | 656,012 | 127,500 | 783,512 |
| Rental income | 9,352,695 | - | 9,352,695 |
| Development fees | 36,236 | - | 36,236 |
| Asset management and resident services fees | 90,578 | - | 90,578 |
| Investment income | 147,789 | - | 147,789 |
| Other income | 1,072,513 | - | 1,072,513 |
| Pass-through revenue and in-kind contributions | 150,000 | - | 150,000 |
| Net assets released from restrictions | 66,983 | (66,983) | - |
| Total revenue and other support | 29,901,604 | 60,517 | 29,962,121 |
| EXPENDITURES | | | |
| Program services | 31,256,387 | - | 31,256,387 |
| Administrative and support | 2,939,357 | - | 2,939,357 |
| Fundraising | 513,034 | - | 513,034 |
| Total expenditures | 34,708,778 | - | 34,708,778 |
| Change in net assets from operations | (4,807,174) | 60,517 | (4,746,657) |
| NONOPERATING ACTIVITIES | - | - | - |
| CHANGE IN NET ASSETS | (4,807,174) | 60,517 | (4,746,657) |
| NET ASSETS AT BEGINNING OF YEAR | 34,257,895 | 833,856 | 35,091,751 |
| Limited partner contributions, net of distributions | 17,163,646 | | 17,163,646 |
| NET ASSETS AT END OF YEAR, as previously stated | 46,614,367 | 894,373 | 47,508,740 |
| Prior period adjustment | 2,350,000 | - | 2,350,000 |
| NET ASSETS AT END OF YEAR (RESTATED) | $ 48,964,367 | $ 894,373 | $ 49,858,740 |

see accompanying notes

**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended June 30, 2024

| | PROGRAM SERVICES | | | | | | SUPPORTING SERVICES | | |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES | Properties | Housing Development and Program | Shelter Services Network | Community Programs | Career and Economic Development | Total | Administrative | Communication and Fundraising | Total |
| Salaries and benefits | $ 216,575 | $ 1,269,374 | $ 2,698,371 | $ 2,947,037 | $ 1,028,354 | $ 8,159,711 | $ 1,677,467 | $ 590,333 | $ 10,427,511 |
| Rent and client assistance | - | 47,578 | 42,969 | 4,478,618 | 82,960 | 4,652,125 | - | - | 4,652,125 |
| Phone and internet | 116,719 | 20,501 | 31,150 | 60,478 | 18,510 | 247,358 | 58,396 | 9,311 | 315,065 |
| Dues, subscriptions and other | 1,942,639 | 14,502 | 18,914 | 16,130 | 6,618 | 1,998,803 | 57,983 | 29,987 | 2,086,773 |
| Equipment lease and maintenance | 99 | 4,611 | 12,211 | 21,672 | 5,427 | 44,020 | 10,709 | 10,463 | 65,192 |
| Event expense | - | 1,375 | 97,768 | 18,477 | - | 117,620 | 268 | 3,769 | 121,657 |
| Gas and mileage | 246 | 1,652 | 6,977 | 10,262 | 3,663 | 22,800 | 592 | 101 | 23,493 |
| Grants awarded | 17,248 | - | - | - | - | 17,248 | - | - | 17,248 |
| In-kind services and supplies | - | - | 457,756 | - | - | 457,756 | - | - | 457,756 |
| Insurance | 583,187 | - | 20,573 | - | - | 603,760 | 56,344 | - | 660,104 |
| Interest expense | 2,592,132 | 15,622 | - | - | - | 2,607,754 | 63,642 | - | 2,671,396 |
| Investor service fees | 28,737 | - | - | - | - | 28,737 | - | - | 28,737 |
| Occupancy | 1,206,195 | 42,665 | 290,858 | 171,253 | 50,079 | 1,761,050 | 92,799 | 34,773 | 1,888,622 |
| Office supplies | 49,423 | 8,692 | 8,314 | 44,958 | 8,556 | 119,943 | 1,135 | 4,531 | 125,609 |
| Permits, licenses and fees | 346,377 | 1,533 | 136 | 2,309 | 482 | 350,837 | 21,990 | 3,184 | 376,011 |
| Professional assistance | 441,921 | 591,592 | 2,144 | 1,273 | (28) | 1,036,902 | 363,423 | 9,899 | 1,410,224 |
| Program expense | - | 67,391 | 458,311 | 39,935 | 2,921 | 568,558 | 436 | - | 568,994 |
| Property maintenance | 2,098,142 | - | - | - | - | 2,098,142 | - | - | 2,098,142 |
| Property management fees | 1,408,682 | - | - | - | - | 1,408,682 | - | - | 1,408,682 |
| Resident service fees | 9,519 | - | - | - | - | 9,519 | - | - | 9,519 |
| Staff recruitment and training | 19,670 | 2,075 | 1,570 | 16,833 | 1,125 | 41,273 | 36,366 | 3,312 | 80,951 |
| Subcontractors | 31,390 | - | - | 803,225 | 115,000 | 949,615 | - | - | 949,615 |
| Software support | 21,282 | 2,059 | 11,661 | 109,892 | 4,158 | 149,052 | 341,400 | 17,889 | 508,341 |
| Depreciation and amortization | 5,067,698 | - | - | - | - | 5,067,698 | 27,873 | - | 5,095,571 |
| Total expenditures | $ 16,197,881 | $ 2,091,222 | $ 4,159,683 | $ 8,742,352 | $ 1,327,825 | $ 32,518,963 | $ 2,810,823 | $ 717,552 | $ 36,047,338 |

see accompanying notes

**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended June 30, 2023

| | PROGRAM SERVICES | | | | | | SUPPORTING SERVICES | | |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES | Properties | Housing Development and Program | Shelter Services Network | Community Programs | Career and Economic Development | Total | Administrative | Communication and Fundraising | Total |
| Salaries and benefits | $ 180,109 | $ 1,266,704 | $ 2,455,775 | $ 2,799,721 | $ 691,239 | $ 7,393,548 | $ 1,583,277 | $ 400,458 | $ 9,377,283 |
| Rent and client assistance | - | 42,322 | 86,011 | 4,967,063 | 67,888 | 5,163,284 | - | - | 5,163,284 |
| Phone and internet | 102,886 | 24,498 | 36,955 | 70,782 | 16,072 | 251,193 | 23,050 | 8,563 | 282,806 |
| Dues, subscriptions and other | 1,115,154 | 14,567 | 16,396 | 20,075 | 4,074 | 1,170,266 | 68,150 | 21,108 | 1,259,524 |
| Equipment lease and maintenance | 1,372 | 7,312 | 9,572 | 26,766 | 5,344 | 50,366 | 12,302 | 3,160 | 65,828 |
| Event expense | - | - | 75,559 | 1,053 | - | 76,612 | - | 653 | 77,265 |
| Gas and mileage | 163 | 3,305 | 4,696 | 24,330 | 2,494 | 34,988 | 1,113 | 615 | 36,716 |
| Grants awarded | - | 1,248,619 | - | - | 750 | 1,249,369 | 660 | - | 1,250,029 |
| In-kind services and supplies | - | - | 150,000 | - | - | 150,000 | - | - | 150,000 |
| Insurance | 588,696 | - | - | - | - | 588,696 | 45,229 | - | 633,925 |
| Interest expense | 2,837,837 | - | - | - | - | 2,837,837 | 41,633 | - | 2,879,470 |
| Investor service fees | 24,050 | - | - | - | - | 24,050 | - | - | 24,050 |
| Occupancy | 1,614,460 | 48,980 | 242,862 | 177,270 | 36,426 | 2,119,998 | 264,010 | 21,542 | 2,405,550 |
| Office supplies | 31,199 | 17,531 | 4,675 | 44,191 | 7,485 | 105,081 | 15,086 | 8,233 | 128,400 |
| Permits, licenses and fees | 388,915 | 2,832 | 35 | 2,656 | 510 | 394,948 | 24,778 | 2,255 | 421,981 |
| Professional assistance | 241,901 | 308,679 | 65,122 | 25,742 | 6,169 | 647,613 | 400,297 | 36,992 | 1,084,902 |
| Program expense | - | 106,279 | 594,393 | 2,233 | 9,510 | 712,415 | 159 | - | 712,574 |
| Property maintenance | 2,371,617 | - | - | - | - | 2,371,617 | - | - | 2,371,617 |
| Property management fees | 1,144,593 | - | - | - | - | 1,144,593 | - | - | 1,144,593 |
| Resident service fees | 9,351 | - | - | - | - | 9,351 | - | - | 9,351 |
| Staff recruitment and training | 65,154 | 8,486 | 6,199 | 18,853 | 250 | 98,942 | 63,845 | 1,032 | 163,819 |
| Subcontractors | - | - | - | 361,640 | 112,000 | 473,640 | - | - | 473,640 |
| Software support | 65,569 | 9,790 | 16,387 | 20,758 | 6,057 | 118,561 | 381,968 | 8,423 | 508,952 |
| Depreciation and amortization | 4,069,419 | - | - | - | - | 4,069,419 | 13,800 | - | 4,083,219 |
| Total expenditures | $ 14,852,445 | $ 3,109,904 | $ 3,764,637 | $ 8,563,133 | $ 966,268 | $ 31,256,387 | $ 2,939,357 | $ 513,034 | $ 34,708,778 |

see accompanying notes

**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended June 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | $ (7,317,739) | $ (4,746,657) |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | | |
| Depreciation and amortization | 5,091,367 | 4,083,219 |
| Interest expense - debt issuance costs | 156,828 | 119,588 |
| Amortization of operating lease right-of-use asset | 305,639 | 386,782 |
| Change in accounts receivable | (344,812) | (1,502,101) |
| Change in prepaid expenses | (33,349) | (213,126) |
| Change in accounts payable | 418,207 | (2,125,126) |
| Change in cash overdraft | 46,986 | - |
| Change in security deposits | 18,406 | 3,630 |
| Change in prepaid rent | (198,419) | 28,194 |
| Change in accrued interest | 552,536 | 18,369 |
| Change in accrued expenses | 4,538 | 542,539 |
| Change in due to related party | 33,850 | - |
| Change in operating lease payable | 68,998 | 29,353 |
| Net cash used in operating activities | (1,196,964) | (3,375,336) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of depreciable assets | (2,514,556) | (28,727,764) |
| Cash paid for construction in progress | (9,010) | - |
| Net cash used in investing activities | (2,523,566) | (28,727,764) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from notes payable | 7,712,277 | 41,140,176 |
| Payments of notes payable | (11,912,527) | (26,114,400) |
| Cash paid for debt issuance costs | (1,049,602) | (214,359) |
| Capital contributions | 8,672,387 | 17,163,646 |
| Net cash provided by financing activities | 3,422,535 | 31,975,063 |
| Net change in cash, cash equivalents and restricted cash | (297,995) | (128,037) |
| Cash, cash equivalents and restricted cash at beginning of year, restated | 8,693,076 | 8,821,113 |
| Cash, cash equivalents and restricted cash at end of year | $ 8,395,081 | $ 8,693,076 |
| Cash and cash equivalents | 3,508,483 | 2,683,253 |
| Restricted cash | 4,886,598 | 6,009,823 |
| Total cash, cash equivalents and restricted cash | $ 8,395,081 | $ 8,693,076 |

see accompanying notes

**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the years ended June 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | | |
| Cash paid for interest - expensed | $ 2,118,860 | $ 2,861,101 |
| SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES: | | |
| Increase in operating lease right-of-use asset | $ - | $ 84,299 |

see accompanying notes

1. Organization

Human Solutions, Inc. dba Our Just Future (the "Corporation" or "Our Just Future") is an Oregon nonprofit public benefit organization classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1986. The Corporation was organized in 1988 to partner with families experiencing the effects of poverty and homelessness to get the economic security that everyone needs to thrive. In addition to helping people navigate housing stability, the Corporation focuses on upstream solutions to inequitable housing and economic policies that will prevent poverty and homelessness tomorrow. Everything the Corporation does is through a racial justice lens, because to solve a problem rooted in racism, the Corporation must pursue solutions that acknowledge that and intentionally solve for it. There is no housing and economic justice without racial justice. Through various ownership structures, the Corporation has control of organizations that provide services and housing for the benefit of families, seniors, and persons with special needs, collectively, referred herein as the "Organization".

**Our 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.

**Our Organizational Vision:**
Our Just Future operates as a nimble, financially strong organization driven by our passion, strategic goals and guiding principles.

**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 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:** Our Just Future 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.

1. Organization (continued)

**THEORY OF CHANGE: The reason we do what we do (continued).**

**The problem we tackle: intergenerational poverty (continued):**
In East Portland and East Multnomah County, people and communities have experienced years of disinvestment and lack basic amenities like healthy food, safe streets and welcoming places to gather and play. 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**: Our Just Future 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.

1. Organization (continued)

**PROGRAM AREAS**

Our Just Future focuses our efforts in five inter-related program areas with an overarching goal of ensuring every family in our community can afford a place to call home.

They are:

1. **Emergency Shelter and Rapid Rehousing:** We work with people to create individualized plans and goals for long-term housing and economic stability. Our programming is designed for flexibility—some families need only a month or two of rent assistance, while others may need more. We operate three emergency shelters: one serves up to 40 families with dependent children, and two serve up to 125 adults who self-identify as women, genderqueer, and non-binary. We provide on-site rapid rehousing services based on the Housing First approach, which acknowledges that everyone is housing ready, and that people need safe, stable housing before they are able to address other significant barriers to their long-term economic security. Permanent housing is far healthier and less traumatic than homelessness, and it is much more cost-effective than extended stays in emergency shelters.

2. **Housing Stability Programs:** We help people and families remain stably housed with their utilities on by providing rent and utility assistance to prevent evictions and service shut-offs. These programs help avoid the trauma and stress of losing one's home and the toll it can take on one's health.

3. **Career Support and Financial Wellness Education:** We offer a range of employment programs for people with significant barriers to work, such as limited work history, justice system involvement, and/or lack of workplace skills. These programs help pay for work clothes, transportation, and other expenses related to obtaining and maintaining a job. We offer rental assistance programs that help job seekers pay rent during unpaid training programs, leading to an increase in people at risk of homelessness attaining career-track employment. Our financial wellness education empowers participants with the tools to prepare for long-term economic security.

4. **Affordable Housing with Resident Services:** We own and operate 19 affordable housing communities with 897 units. The Aurora, our newest community, opened this past fall in East Portland with 93 rental apartments. The apartments are a mixture of one- two-, and three-bedrooms for people who have incomes between 30% and 60% of the Area Median Income (AMI). 16 of them are designated for Permanent Supportive Housing with wraparound services for people and families transitioning out of homelessness—the exact type of housing we need to help end homelessness! Our Resident Advisory Committee influences our policies and creation of our affordable housing communities, increasing the sense of inclusion that residents have on the decisions that impact the housing and economic security of their own and other families.

5. **After-School Academic Support:** We offer academic and social/emotional support to children K-12, and we mentor youth up to age 22. These programs are part of our effort to end inter-generational poverty, helping kids in families with low incomes thrive in school and beyond. In a recent survey, 90% of youth expressed feeling a sense of belonging in the LearnLinks program and feeling safe/understood by their peers in their housing communities, allowing them to show-up more authentically than in a regular classroom setting.

1. Organization (continued)

**PROGRAM AREAS (CONTINUED)**

We approach all our work with a trauma-informed lens, understanding that historical and ongoing oppression is an additional layer of pervasive trauma in BIPOC communities. We hire and maintain a team that racially, ethnically, and economically represents our community, running programs specifically for people impacted by the justice system, individuals experiencing homelessness or housing insecurity, immigrants, refugees, and folks surviving poverty. Some participant demographics include:

- 100% have low, very low, or no incomes
- 60% identify as BIPOC, primarily Black (22%) and Latino (19%)
- 35% are children (birth - 17 years)
- 20% are differently abled
- Many are survivors of domestic violence and/or sexual assault

Here are some highlights from the year ended June 30, 2024:

**After-School Programming:** Our LearnLinks team worked with 93 youth, operating six weeks of summer programming and after-school programming two days a week in person at three properties. Youth participated in STEM, Art, and Social Emotional Learning activities.

**Career Coaching/Training and Financial Wellness Education:** We are pleased that 60% of participants who completed our employment programs obtained unsubsidized employment. Annually, these programs help around 800 individuals with significant barriers to employment find living wage jobs and/or improve their job skills to increase their household incomes. We have expanded our partnership with WorkSource Oregon, which gives us additional access to vocational trainings and funds to pay for them. 65 people have accessed financial wellness workshops or services. We estimate that over 200 additional people benefited as extended family members of our participants and community members.

**Housing Development:** We are developing a new property with APANO and Portland Community College to open in 2026 to create 124 energy efficient homes for families and individuals making 60% or less of the AMI. 20 apartments will be reserved for those with extremely low-incomes—households making 30% or less of the AMI. Residents will also have access to on-site resident services, property management, a community room, spaces for socializing and gathering, laundry, bike storage, and a central outdoor courtyard with a play area for children.

Housing Security & Shelter Services. Our team provided shelter and meals for 431 households in our three emergency shelters (490 adults and 204 children). Since July, we helped 54 households move from shelter into long-term housing. We also worked with 617 people (291 of them children) in our housing security programs. Follow-up contacts with participants show that 88% of participants who moved into housing remained housed after 12 months. We disaggregate retention rates by race to ensure that BIPOC participants maintain their housing at the same rate as White participants, an important equity goal for us. BIPOC families maintained their housing at the same rate as our white participants—87%.

1. Organization (continued)

**PROGRAM AREAS (CONTINUED)**

Our outreach and housing navigator team directed 130 families from street to shelter to housing. They work with our partners (El Programa Hispano Católico, Self Enhancement Inc, and Native American Youth & Family Center) to counsel families throughout their journey, breaking down barriers to rapidly access housing. Our peer support specialists' lived experience helps them empathize with participants and guide them in the process to housing stability. Housing specialists at each shelter tirelessly work to connect residents to housing opportunities, setting them up for success in their new homes.
Resident Services. Our resident services team connected 285 households to energy assistance. Unpaid utility bills often precede an eviction; by partnering with residents to stay current they can maintain their housing and avoid the trauma of losing their homes.

2. Summary of significant accounting policies

Basis of accounting
The Organization prepares its consolidated financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Principles of consolidation
The Organization's consolidated financial statements include the Corporation, the accounts of majority-owned, controlled subsidiaries, and operating partnerships that the Corporation controls.

The Corporation, directly or through LLCs, controls the following consolidated entities (the "Consolidated Entities") in which the Corporation is the controlling general partner or has a controlling financial and economic interest:

| Property | Consolidated Entities | Notes |
|---|---|---|
| Aldercrest | Aldercrest Gresham Limited Partnership**<br>Aldercrest GP, LLC* | |
| Ankeny Woods | Hazelwood Ankeny Limited Partnership**<br>Hazelwood Ankeny GP, LLC*<br>Ankeny Arms, LP* | |
| The Aurora | Rosewood Stark Limited Partnership**<br>Rosewood Stark GP, LLC* | |
| Cascade Crossing | Cascade Crossing Development, LLC* | |
| The Cedars | HS Cedars, LLC* | |
| Fairview Arms | Fairview Arms Limited Partnership**<br>Fairview GP, LLC* | |
| Glisan Commons | Glisan Commons Phase I Limited Partnership**<br>HSI Glisan Commons, LLC* | |
| Lincoln Woods | Lincoln Woods Housing Limited Partnership*<br>Lincoln Wood Developer, LLC* | |
| The Pines Apartments | The Pines Housing, Inc.* | 501(c)(3) with economic interest and control |
| Rockwood - commercial | Rockwood MSC QALICB, Inc.* | 501(c)(3) with economic interest and control |

2. Summary of significant accounting policies (continued)

Principles of consolidation (continued)

| Property | Consolidated Entities | Notes |
|---|---|---|
| Rockwood - residential | Rockwood Housing Limited Partnership**<br>Rockwood Building, LLC* | |
| Rosewood Plaza - residential | Rosewood Plaza Limited Partnership**<br>18155 NE Couch Street Associates, LLC* | |
| The Nick Fish - commercial | Gateway QALICB, Inc.* | 501(c)(3) with economic interest and control |
| The Nick Fish - residential | Gateway Halsey Limited Partnership**<br>Gateway GP, LLC* | |
| Whispering Winds | Whispering Winds Housing Limited Partnership*<br>Arbor Glen GP, LLC* | |
| Not applicable | East County Solutions, Inc.* | 501(c)(3) with economic interest and control |

*Wholly owned entities controlled by the Corporation and other non-profit entities controlled by the Corporation ("Wholly Owned Entities")

**Limited partnerships controlled by the Corporation ("Other Consolidated Partnerships")

The Other Consolidated Partnerships all have 0.01% general partner ownership in the respective partnerships.

The Organization has entered into various regulatory agreements, including the Housing Assistance Payments Contract ("HAP") agreements, and is subject to the requirements of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 ("LIHPRHA"), U.S. Department of Housing and Urban Development ("HUD") and Oregon Housing and Community Services ("OHCS"), which govern the ownership, occupancy, management, and maintenance and operations of each property (collectively referred to as the "Properties").

All material intercompany balances and transactions have been eliminated.

Basis of presentation
The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

*Net assets with donor restrictions*: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

2. Summary of significant accounting policies (continued)

Basis of presentation (continued)
Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Estimates
The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents
Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or fewer at the date of acquisition.

Restricted cash is not considered cash and cash equivalents, and includes cash held with financial institutions for funding of operating deficits, repairs or improvements to the buildings that extend their useful lives, payment of new market credit advisory and compliance fees, annual payments of tax and insurance, debt service payments, payments of rental assistance payments of tenant service fees, payments of asset management fees, and refunds of tenant security deposits. Restricted cash does not fall under the criteria for net assets with donor restrictions as these funds are held for operational purposes rather than donor-imposed restrictions.

Concentration of credit risk
The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts receivable
Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Contributions and pledges receivable
Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

As of June 30, 2024 and 2023, the Organization's contributions receivable consisted of unconditional promises to give in the amount of $269,856 and $296,019, respectively, all of which are expected to be collected within one year.

2. Summary of significant accounting policies (continued)

Contributions and pledges receivable (continued)
Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Note receivable and allowance for credit losses
Notes receivable are measured at amortized cost basis and presented at the amount expected to be collected, net of deferred loan origination fees and unearned discounts, as applicable. The Organization records an allowance for credit losses based on losses expected to arise over the contractual term of the financial asset. Assets are written off when the Organization deems the note receivable to be uncollectable. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, which do not exceed the aggregate of previous write-offs, are included in determining the allowance account. As of June 30, 2024 and 2023, management believes that the Organization's loans receivable are fully collectable and as such, the allowance for credit losses is zero.

In developing estimates for expected credit losses, management considers historical loss information updated for current conditions and reasonable and supportable forecasts that affect expected collectability using a loss-rate approach.

Management considers factors such as the borrower's financial condition, the borrower's ability to make scheduled interest or principal payments based on the current and forecasted direction of the economic and business environment, the remaining payment terms of the loan, the remaining time to maturity, and the value of underlying collateral. Although management uses many factors to estimate credit losses, because of uncertainties associated with local economic conditions, collateral values, and future cash flows, it is reasonably possible that a material change could occur in the allowance for credit loan losses in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Loans that are 90 days or more past due, based on the contractual terms of the loan, are classified on nonaccrual status. Uncollectable interest previously accrued is charged off, or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received and the principal balance is believed to be collectable. A loan previously classified on nonaccrual status will resume accruing interest based on the contractual terms of the loan when payments on the loan become current. There were no loans on nonaccrual status at June 30, 2024 and 2023.

Loan origination and commitment fees, as well as certain direct origination costs, are deferred and recognized into income ratably over the term of the loan. Amortization of deferred loan fees is discontinued when a loan is placed on nonaccrual status.

2. Summary of significant accounting policies (continued)

Fixed assets and depreciation

Purchases of property, equipment or improvements costing more than $5,000 are recorded at cost. Major improvements are charged to the fixed asset account, while maintenance and repairs, which do not extend the life of the respective assets, are expensed. When fixed assets are retired or otherwise disposed, the cost of the fixed asset and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in income.

Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Depreciation expense for the years ended June 30, 2024 and 2023 was $5,008,493 and $3,994,800, respectively.

The useful lives of the assets are estimated as follows:

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

Deferred charges and amortization

Deferred charges are amortized on a straight-line basis over the estimated useful lives of the assets. Amortization expense for the years ended June 30, 2024 and 2023 was $82,874 and $84,215, respectively.

Funds held for others

The Organization accepts funds from unrelated nonprofit organizations who desire to have the Organization provide efficient investment management, programmatic expertise, and technical assistance. A liability is recorded at the readily determinable estimated fair values of assets deposited with the Organization by nonprofit organizations.

Impairment of long-lived assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flow analysis, or other valuation technique. No impairment losses were recognized during the years ended June 30, 2024 and 2023.

Income taxes

The Corporation, The Pines Housing, Inc., Gateway QALICB, Inc., Rockwood MSC QALICB, Inc. and East County Solutions, Inc. are exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and as non-profit tax-exempt organizations, under Oregon ORS 317.080(9) and (10), are not required to file state corporation tax returns.

2. Summary of significant accounting policies (continued)

Income taxes (continued)
Gateway GP LLC and Hazelwood Ankeny GP LLC (the "GP Corporations") elected to be taxed as corporations for federal income tax purposes. Income taxes of the GP Corporations are accounted for under an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Organization's consolidated financial statements or the GP Corporations' tax returns. Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Organization's consolidated assets and liabilities. An allowance is provided if it is more likely than not that the Organization will not realize the benefits of a deferred tax asset. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. As of June 30, 2024, the Organization did not report any deferred tax amounts as there were no significant temporary differences.

Single member LLCs are considered disregarded entities for tax purposes.

Income taxes on partnership and LLC income are levied on the partners and members in their individual capacity. Accordingly, all profits and losses of the Other Consolidated Partnerships are recognized by each partner and member on their respective tax return. The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. The Organization has determined whether any tax positions have met the recognition threshold and has measured the Organization's exposure to those tax positions.

Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Organization are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying consolidated financial statements.

Contributions
Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

2. Summary of significant accounting policies (continued)

Contributions (continued)
Unconditional pledges to give are recorded as contributions when pledged at the net present value of the amounts expected to be collected. Unconditional pledges to give that are expected to be received in future periods are discounted annually using the current interest rate the funds would earn. Amortization of the discount is recorded as contribution revenue.

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.

For the years ended June 30, 2024 and 2023, in-kind assistance of $457,756 and $150,000, respectively, was passed through to specified beneficiaries. No amounts have been reflected in the consolidated 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.

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 $269,856 and $296,019 that have not been recognized at June 30, 2024 and 2023, respectively, because performance requirements and/or qualifying expenditures have not yet been incurred.

Rental and other revenue recognition
The Organization is the lessor of the Properties and accounts for tenant leases as operating leases. The Organization determines if a contract is a lease or contains a lease at inception. At the commencement of an operating lease, no income is recognized; subsequently, lease payments received are recognized on a straight-line basis. Rental revenue attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Other income includes fees for late payments, cleaning, damages, laundry facilities and other charges and is recorded when earned. Advance receipts of revenue are deferred and classified as liabilities until earned.

Asset management fee income and resident services fee income are recognized when performance obligations are met.

Investment income is recognized when earned.

2. Summary of significant accounting policies (continued)

Development fees revenue recognition

The Corporation recognizes development fee income as it meets its performance obligations as development of the related projects is completed under a percentage of completion method or based on the attainment of certain objectives as defined in the development agreement. A portion of the fee is recognized at closing and a portion of the fee is deferred until the project reaches stabilization in the situations where the Corporation is required, as the developer, to support the project's operations without reimbursement until stabilization is achieved. Development fees expected to be paid from development proceeds, primarily property debt and investor capital, are recorded as development fees receivable when earned.

Grants revenue recognition

Cost-reimbursement grants are received to support the program services that the Organization provides. Grant revenue is recognized based on the amount of grant expenditures incurred in accordance with the grant contract. Grants awarded for specific purposes other than the general operations of the Organization are deemed to be earned when the expenses have been incurred in compliance with the specific restrictions.

Economic concentrations

The Organization receives a significant amount of revenue from the Properties in which it is the general partner. These sources of funds are dependent upon the continued successful development and management of these Properties. The Organization, either as a direct owner, advisor or general partner, has an economic interest in real estate projects that are subject to business risks associated with the economy and level of unemployment in Oregon, which affects occupancy, as well as the tenants' ability to make rental payments. In addition, these projects operate in a heavily regulated environment. The operations of these projects are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD.

Such administrative directives, rules and regulations are subject to change by an act of Congress, or an administrative change mandated by HUD and may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Functional 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 time and effort.

Leases

On August 27, 2019, Gateway QALICB, Inc. entered into a lease agreement (the "QALICB Ground Lease") with Gateway Halsey Limited Partnership ("Gateway Halsey LP"), which Gateway Halsey LP later assigned the QALICB Ground Lease to Prosper Portland (Note 12) for a certain parcel of land for the development, leasing and operation of approximately 10,933 rentable square feet of office space ("Unit 2") and 23 "middle—income" residential dwelling units of which 18 are anticipated to be market rate and 5 are anticipated to be affordable at 80% median family income during at least the seven-year compliance period under Section 45D of the Internal Revenue Code and the Treasury Regulations promulgated there under ("Unit 3"), as further defined in the lease agreement.

2. Summary of significant accounting policies (continued)

Leases (continued)
On August 27, 2019, Gateway Halsey LP entered into a ground lease (the "LIHTC Ground Lease") with Prosper Portland (Note 12) for a certain parcel of land for the development, leasing and operation of 52 affordable residential units ("Unit 4").

On November 13, 2012, Glisan Commons Phase I Limited Partnership entered into a ground lease with the City of Portland for a certain parcel of land (the "Glisan Ground Lease"). The Glisan Ground Lease is for the period from November 13, 2012 through December 31, 2111.

On January 29, 2020, the Corporation entered into a copier lease with CTX (the "Copier Lease"). The Copier Lease is for the period from January 29, 2020 through January 31, 2025.

In accordance with accounting principles generally accepted in the United States of America, the QALICB Ground Lease, LIHTC Ground Lease, Glisan Ground Lease and Copier Lease are treated as operating leases.

The Organization determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of and to obtain substantially all of the economic benefits from the use of an asset for a period of time in exchange for consideration. Operating lease right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Organization uses its incremental borrowing rate of 4%, at the lease commencement date in determining the present value of lease payments.

The operating lease right-of-use asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The ground lease agreements do not contain any material residual value guarantees or material restrictive covenants. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

On August 27, 2019, Gateway QALICB, Inc. entered into a sublease agreement (the "Sublease") with the Corporation for Unit 2. The intercompany balances and transactions associated with the Sublease have been eliminated.

Subsequent events
Subsequent events have been evaluated through June 4, 2026, which is the date the consolidated financial statements were available to be issued, and there are no subsequent events requiring disclosure.

Change in accounting principle
In June 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments to provide financial statement users with improved information about expected credit losses on financial assets, as well as improve users' ability to understand the realizability of assets held at each reporting period.

2. Summary of significant accounting policies (continued)

Change in accounting principle (continued)
The Organization adopted FASB ASC 326 effective July 1, 2023, and any necessary adjustment was recognized through a cumulative effect adjustment to retained earnings as of the effective date. Credit loss disclosures for the year ended June 30, 2023 are made under the prior guidance provided by FASB ASC 310.

With respect to measuring expected credit losses for the Organization's receivables, ASC 326 did not have a material impact on the financial statements.

3. Liquidity and availability of financial assets

The following represents the Organization's financial assets at June 30, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Financial assets at year-end: | | |
| Cash and cash equivalents | $ 3,508,483 | $ 2,683,253 |
| Restricted deposits and funded reserves | 4,886,598 | 6,009,823 |
| Accounts receivable | 3,796,383 | 3,451,571 |
| Note receivables | 6,161,800 | 6,161,800 |
| Total financial assets | $ 18,353,264 | $ 18,306,447 |
| Less amounts not available to be used within one year: | | |
| Contractual or donor-imposed restrictions: | | |
| Restricted by donor | $ 1,051,658 | $ 833,856 |
| Note receivable | 6,161,800 | 6,161,800 |
| Board designations: | | |
| Board-designated asset management reserve | 37,023 | 190,190 |
| Board-designated predevelopment reserve | 3,204 | 191,179 |
| Board-designated operating reserve | 20,001 | 580,100 |
| Total unavailable financial assets | 7,273,686 | 7,957,125 |
| Financial assets available to meet general expenditures over the next twelve months | $ 10,843,180 | $ 10,349,322 |

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.

4. Restricted cash

Tenant security deposits are maintained in interest bearing market rate savings accounts. All other funded reserves are held by financial institutions to be used for construction, debt service, operating deficits, repairs and replacements, and tax and insurance escrows.

4. Restricted cash (continued)

| | 2024 | 2023 |
|---|---|---|
| Tenant security deposits: | | |
| Corporation and Wholly Owned Entities | $ 20,554 | $ 198,790 |
| Other Consolidated Partnerships | 152,246 | 125,346 |
| Construction cash: | | |
| Corporation and Wholly Owned Entities | - | - |
| Other Consolidated Partnerships | - | 43,595 |
| Replacement reserves: | | |
| Corporation and Wholly Owned Entities | 1,142,011 | 1,174,283 |
| Other Consolidated Partnerships | 600,499 | 809,231 |
| Operating reserves: | | |
| Corporation and Wholly Owned Entities | 77,675 | 679,569 |
| Other Consolidated Partnerships | 1,410,791 | 1,595,016 |
| Tax and insurance escrows: | | |
| Corporation and Wholly Owned Entities | 40,868 | 11,189 |
| Other Consolidated Partnerships | 560,347 | 203,048 |
| Other reserves: | | |
| Corporation and Wholly Owned Entities | 339,247 | 622,852 |
| Other Consolidated Partnerships | 542,360 | 546,904 |
| Total restricted cash | $ 4,886,598 | $ 6,009,823 |

5. Note receivable

On August 27, 2019, the Corporation entered into a loan agreement in the amount of $6,161,800 with DV-Halsey 106 QEI, LLC. The loan earns interest at a rate of 2.12%. Interest only payments are due quarterly through March 2026. Commencing March 2026 through December 2055 (the "Maturity Date"), principal and interest payments are due in an amount sufficient to fully repay the loan by the Maturity Date. As of June 30, 2024 and 2023, the outstanding principal balance was $6,161,800 for both years, and interest receivable was $-0- for both years.

6. Depreciable assets

As of June 30, 2024 and 2023, the Organization's depreciable assets consist of the following:

| | 2024 | 2023 |
|---|---|---|
| Buildings and building improvements | $ 162,457,794 | $ 160,585,258 |
| Furniture and equipment | 5,334,612 | 5,251,265 |
| Total depreciable assets | 167,792,406 | 165,836,523 |
| Less: accumulated depreciation | (50,613,154) | (45,741,282) |
| Net depreciable assets | $ 117,179,252 | $ 120,095,241 |

7. Construction in progress

Construction in progress is stated at cost and consists primarily of costs incurred in connection with the development and construction of affordable housing. These costs include permits, materials, labor, overhead, legal fees, consulting fees, and other similar costs. Interest and insurance costs incurred prior to the placed-in-service date of an affordable housing project are included in construction in progress. Once an affordable housing project is placed-in-service, the total amount of construction in progress costs associated with that project is capitalized to a fixed asset account and depreciated over the estimated life of the asset. As of June 30, 2024 and 2023, construction in progress was $78,711 and $69,701, respectively.

8. Line of credit

On September 16, 2022, the Organization secured a revolving line of credit with Umpqua Bank for borrowings of up to $1,000,000. The line of credit matures July 7, 2025 and requires variable 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. For the years ended June 30, 2024 and 2023, interest expense was $63,642 and $41,902, respectively. $1,000,000 and $-0- was outstanding at June 30, 2024 and 2023, respectively, and is included in notes payable, net of unamortized debt issuance costs on the accompanying consolidated statements of financial position.

9. Employee retirement plan

In January 1997, the Organization established a 401(k) plan. Employees are eligible to participate in the plan starting on the first of the month following 90 days of employment. The board of trustees approved discretionary contributions of $89,217 and $79,429 to the plan for the years ended June 30, 2024 and 2023, respectively.

10. Notes payable

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, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Wholly Owned Entities | | |
| 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. | $ 774,314 | $ 786,719 |
| Briarwood East note payable to the City of Portland (through the Portland Housing Bureau), interest at 0%, payable from excess cash flow, unpaid principal due September 2041. | 725,044 | 725,044 |

10. Notes payable (continued)

| | 2024 | 2023 |
|---|---|---|
| Wholly Owned Entities (continued) | | |
| Carolyn Gardens loan payable to Heritage Bank of $1,650,000 (financed with bonds through the Oregon Facilities Authority (the "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, amortized 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 those dates plus 2.75% margin multiplied by 0.8088. The loan matures July 2044, and is callable by lender at each reset date. | 1,462,956 | 1,506,014 |
| Carolyn Gardens 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 | 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 on the maturity date of October 1, 2023. Refinanced in September 2023 and matures June 30, 2027. | 3,268,182 | 3,343,627 |
| 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. | 1,580,505 | 1,583,730 |
| 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 due for the outstanding balance as of July 2023. Refinanced in July 2023 with interest at 6.75% and matures July 25, 2030. | 49,895 | 53,338 |
| Douglas Meadows 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 due for the outstanding balance as of July 2023. Refinanced in July 2023. Refinanced in July 2023 with interest at 6.75% and matures July 25, 2030. | 175,453 | 185,656 |
| Greentree Court note payable to Clackamas County Bank; interest 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 due as of June 2028. | 161,802 | 162,655 |

10. Notes payable (continued)

| | 2024 | 2023 |
|---|---|---|
| Wholly Owned Entities (continued) | | |
| Lincoln Woods note payable to Chase Bank; interest fixed at 6.11%, due in monthly amortizing installments of $16,561.30, and any remaining unpaid principal and interest on note is due and payable in full on November 1, 2027. | 1,859,210 | 1,948,658 |
| Lincoln Woods note payable to the City of Portland; Borrower shall pay lender one-half of Excess Cash Flow from the previous year's operating cash flow for the project until maturity on November 1, 2047. | 447,964 | 447,964 |
| 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. | 1,779,757 | 1,799,270 |
| Rockwood MSC note payable to the City of Gresham; principal and interest at 2.81% due quarterly beginning August 2018; maturity date August 2030. | 907,000 | 907,000 |
| 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. | 498,944 | 514,406 |
| 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 | 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 2022 through May 2025 then beginning May 2026 80% of excess cash flows; unpaid principal due August 2059. | 4,044,857 | 4,004,928 |
| The Nick Fish (Unit 3) 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 2026. | 1,533,844 | 1,555,627 |

10. Notes payable (continued)

| | 2024 | 2023 |
|---|---|---|
| Wholly Owned Entities (continued) | | |
| The Nick Fish (Unit 3) 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. | 330,697 | 330,697 |
| 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 in December 1, 2019, and continuing through December 1, 2025. Beginning in March 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 1, 2026, the Organization is required to make a principal payment on Loan D in the amount of $1,483,657. | 8,730,000 | 8,730,000 |
| The Nick Fish (Unit 2) 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. The DVCI CDE XXXIX Loans and DVCI CDE XXXV Loan are intended to constitute qualified low-income community investments ("QLICIs") 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 ("NMTC") compliance period. | 943,982 | 943,982 |
| The Nick Fish (Unit 2) 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. | 1,218,993 | 1,246,935 |

10. Notes payable (continued)

| | 2024 | 2023 |
|---|---|---|
| Wholly Owned Entities (continued) | | |
| Whispering Winds note payable to the City of Portland (through the Portland Housing Bureau); interest 0%; all unpaid principal and interest due on December 1, 2070. | 140,000 | 140,000 |
| The Nick Fish (Unit 2) 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. | 1,218,993 | 1,246,935 |
| Whispering Winds note payable to the City of Portland (through the Portland Housing Bureau); interest 0%; all unpaid principal and interest due on December 1, 2070. | 140,000 | 140,000 |
| Whispering Winds note payable to Beneficial State Bank; interest initially at 3.75%; payment of interest only through July 2021, $25,525 monthly 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%. | 4,952,294 | 5,177,826 |
| Whispering Winds note payable to Portland Housing Bureau; interest rate of 0% 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 due. | 1,562,655 | 1,562,655 |
| Portland Community College note payable to the City of Portland (through the Portland Housing Bureau); interest 0%; all unpaid principal and interest due on May 1, 2026 unless disbursement of funds under a construction loan occurs sooner. | 1,000,000 | - |
| Total Wholly Owned Entities | $ 38,307,485 | $ 37,774,618 |

Interest

As of June 30, 2024 and 2023, accrued interest for the Wholly Owned Entities was $527,365 and $223,080, respectively. For the years ended June 30, 2024 and 2023, interest expense for the Wholly Owned Entities was $1,474,582 and $1,032,168, respectively.

10. Notes payable (continued)

Other Consolidated Partnerships

| | 2024 | 2023 |
|---|---|---|
| Notes payable with regular payments<br>Permanent loans and construction loans, bearing interest from 0% to 6.50%, generally with principal and interest due monthly, payable in full through 2079. As of June 30, 2024 and 2023, accrued interest was $265,765 and $17,514, respectively. For the years ended June 30, 2024 and 2023, interest expense was $1,469,614 and $1,824,146, respectively. | $ 24,590,932 | $ 36,569,812 |
| Notes payable with annual payments from cash flow<br>Permanent loans and construction loans, bearing interest from 0% to 2.00%, generally with principal and interest payable from surplus cash, payable in full through 2078. As of June 30, 2024 and 2023, accrued interest was $312 and $-0-, respectively. For the years ended June 30, 2024 and 2023, interest expense was $9,656 for each year. | 27,133,787 | 23,440,846 |
| Notes payable with repayments due at maturity<br>Permanent loans, bearing interest from 0% to 1.00%, generally with principal and interest due at maturity, payable in full through 2067. As of June 30, 2024 and 2023, accrued interest was $82,238 and $-0-, respectively. For the years ended June 30, 2024 and 2023, interest expense was $13,500 for each year. | 5,923,333 | 2,461,333 |
| Total Other Consolidated Partnerships | $ 57,648,052 | $ 62,471,991 |

For the years ended June 30, 2024 and 2023, the range of effective interest rates for all notes payable was 0% to 7.75% for each year.

Notes payable consisted of the following as of June 30, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Notes payable | $ 95,955,537 | $ 100,246,609 |
| Less: unamortized debt issuance costs | (2,906,024) | (2,046,007) |
| Total notes payable, net | $ 93,049,513 | $ 98,200,602 |

Future annual principal payments are as follows:

| Year ending June 30, | |
|---|---|
| 2025 | $ 1,216,923 |
| 2026 | 5,747,702 |
| 2027 | 4,427,970 |
| 2028 | 2,984,449 |
| 2029 | 1,472,847 |
| Thereafter | 80,105,646 |
| Total | $ 95,955,537 |

11. Related party transactions

Asset management fees

The limited partner of Fairview Arms Limited Partnership earns an annual asset management fee of $5,000, increasing 10% on each 5th anniversary. The asset management fee is due within 90 days after each calendar year and shall accrue without interest if unpaid. The accrued asset management fee is unsecured and payable from cash flow, as defined in the Fairview Arms Limited Partnership agreement. As of June 30, 2024 and 2023, accrued asset management fee was $5,500 and $11,607, respectively. For the years ended June 30, 2024 and 2023, asset management fee expense was $5,500 and $5,000, respectively.

The limited partner of Rosewood Plaza Limited Partnership earns a cumulative annual fee of $5,000. The fees commenced in 2015. The unpaid portion of the asset management fees accrues, without interest, and will be paid out of the next available cash flow pursuant to the partnership agreement. As of June 30, 2024 and 2023, accrued asset management fee was $44,244 and $37,083, respectively. For the years ended June 30, 2024 and 2023, asset management fee expense was $5,000 and $10,000, respectively.

The limited partner of Hazelwood Ankeny Limited Partnership earns an annual asset management fee of $5,000. The asset management fee is payable from net cash flow and increases 3% per year. Unpaid asset management fees accrue without interest. As of June 30, 2024 and 2023, accrued asset management fee was $4,333 and $5,150, respectively. For the years ended June 30, 2024 and 2023, asset management fee expense was $1,974 and $5,150, respectively.

The special limited partner of Glisan Commons Phase I Limited Partnership earns a cumulative annual asset management fee of $5,000. The fees commenced in 2014. The unpaid portion of the asset management fees accrues, without interest, and will be paid out of the next available gross cash receipts pursuant to the partnership agreement. As of June 30, 2024 and 2023, accrued asset management fee was $41,250 and $20,000, respectively. For the years ended June 30, 2024 and 2023, asset management fee expense was $5,000 for each year.

The special limited partner of Rockwood Housing Limited Partnership earns a cumulative annual asset management fee of $5,000. The fees commenced in 2011. The unpaid portion of the asset management fees accrues, without interest, and will be paid out of the next available gross cash receipts pursuant to the partnership agreement. As of June 30, 2024 and 2023, accrued asset management fee was $45,000 and $40,000, respectively. For the years ended June 30, 2024 and 2023, asset management fee expense was $5,000 for each year.

Investor services fees

The limited partner of Aldercrest Gresham Limited Partnership earns an annual investor services fee of $5,000. The investor services fee is payable from net cash flow, is prorated for the number of months the partnership has rental income in the initial year, and increases 3% annually. Any unpaid fee accrues without interest. As of June 30, 2024 and 2023, investor services fee payable was $10,150 and $10,000, respectively. For the years ended June 30, 2024 and 2023, the investor services fee was $5,150 and $5,000, respectively.

The limited partner of Gateway Halsey Limited Partnership earns a cumulative annual fee of $3,900 payable from net available cash flows, as defined in the partnership agreement. As of June 30, 2024 and 2023, accrued investor services fee was $12,055 and $11,817, respectively. For the years ended June 30, 2024 and 2023, the investor services fee was $4,138 and $3,900, respectively.

11. Related party transactions (continued)

Investor services fees (continued)
The investor limited partner of Rosewood Stark Limited Partnership earns a cumulative annual fee of $6,975 payable from net cash flow as defined in the Partnership Agreement. The investor services fee increases annually by 3% and accrues without interest. As of June 30, 2024 and 2023, investor services fee payable was $6,975 and $-0-, respectively. For the years ended June 30, 2024 and 2023, the investor services fee was $6,975 and $-0-, respectively.

12. Leases

QALICB Ground Lease
On August 27, 2019, Gateway QALICB, Inc. entered into the QALICB Ground Lease with Gateway Halsey LP, whereby Gateway QALICB, Inc. leased Unit 2 and Unit 3 from Gateway Halsey LP. On November 24, 2021, Gateway Halsey Limited Partnership terminated the lease.

Gateway QALICB, Inc. continues to lease the land from Portland Prosper under the same lease terms. The term of the lease is from August 27, 2019, to August 27, 2118.

The base rent for the first two years of the lease, as further defined in the QALICB Ground Lease, was prepaid on August 27, 2019, in the amount of $43,897. The base rent is $21,624 for the initial year and increases by 3% annually thereafter. The payment is due 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 is payable to Portland Prosper.

LIHTC Ground Lease
On August 27, 2019, Gateway Halsey LP entered into a ground lease with Prosper Portland for a certain parcel of land for the development, leasing and operation of Unit 4. The LIHTC Ground Lease is for the period from August 27, 2019, through December 31, 2118. Annually during the term of the lease, base rent is due on September 1st of the following year. Base rent is $34,937 per year and increases annually by 2%.

For the years ended June 30, 2024 and 2023, rent expense for the QALICB Ground Lease and LIHTC Ground Lease was $236,243 and $383,675, respectively.

Glisan Ground Lease
On November 13, 2012, Glisan Commons Phase I Limited Partnership entered into a ground lease with the City of Portland for a certain parcel of land. The Glisan Ground Lease is for the period from November 13, 2012 through December 31, 2111. Costs incurred to obtain the lease totaling $416,186, which qualify as initial direct costs, were capitalized as part of the related operating lease right-of-use asset and are recognized on a straight line basis over the 99-year lease term. Annual rent of $1 is payable over the lease term. Amortization expense on the Glisan Ground Lease right-of-use asset for the years ended June 30, 2024 and 2023 was $4,204 for each year.

Copier Lease
On January 29, 2020, the Corporation entered into a copier lease with CTX. The Copier Lease is for the period from January 29, 2020 through January 31, 2025 with equal monthly payments of $3,107. As of June 30, 2024 and 2023, rent payable for the Copier Lease was $-0- for both years. For the years ended June 30, 2024 and 2023, rent expense for the Copier Lease was $3,107 for each year.

12. Leases (continued)

As of June 30, 2024 and 2023, operating lease right-of-use asset was $2,975,066 and $2,785,995, respectively. As of June 30, 2024 and 2023, operating lease liability was $3,108,608 and $3,039,610, respectively.

The weighted-average remaining lease term for the leases approximates 95 years.

Future annual base rent payments under the QALICB Ground Lease, LIHTC Ground Lease and Copier Lease are as follows:

| Year ending June 30, | |
|---|---|
| 2025 | $ 143,647 |
| 2026 | 63,388 |
| 2027 | 64,906 |
| 2028 | 66,480 |
| 2029 | 68,074 |
| Thereafter | 22,370,642 |
| Total undiscounted cash flows | 22,777,137 |
| Less: present value discount | (19,668,529) |
| Total lease liabilities | $ 3,108,608 |

13. Commitments, contingencies, and uncertainties

The Corporation is the general partner in several LIHTC (Note 15) 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 Corporation 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. 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.

14. Net assets

Net assets without donor restrictions

Net assets without donor restrictions are available for all general purposes and designated as of June 30, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Board-designated | | |
| Asset management reserve | $ 37,023 | $ 190,190 |
| Predevelopment reserve | 3,204 | 191,179 |
| Operating reserve | 20,001 | 580,100 |
| Undesignated | 50,556,894 | 48,002,898 |
| Total net assets without donor restrictions | $ 50,161,730 | $ 48,964,367 |

Net assets with donor restrictions

Net assets with donor restrictions are available for the following purposes as of June 30, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| For timing and specific purpose | | |
| Capital projects | $ 400,000 | $ 400,000 |
| Other programs | 651,658 | 494,373 |
| Total restricted net assets | $ 1,051,658 | $ 894,373 |

15. Low-income housing tax credits

The Other Consolidated Partnerships expect to generate federal low-income housing tax credits ("Tax Credits"). Generally, such credits become available for use by their partners pro-rata over a ten-year period. The year in which the credit period begins is determined on a building-by-building basis within the respective partnerships.

In order to qualify for these credits, projects must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income tenants at rental rates which do not exceed specified percentages of area median gross income for the first 15 years of operation. As required by state and federal regulations and by loan covenants, the Organization has also agreed to maintain and operate projects as low-income housing for an additional 15 years to 40 years beyond the initial 15 year compliance period. Because the Tax Credits are subject to compliance with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized, and failure to meet all such requirements or to correct noncompliance within a specified time period may result in generating a lesser amount of Tax Credits than expected in future years, and/or recapture of Tax Credits previously allocated. A reduction of future credits or recapture would require credit deficit payments to the limited partner under the terms of the partnership agreement.

16. Consolidated net assets

The following schedule summarizes the changes in consolidated net assets without donor restrictions attributable to the controlling and non-controlling interest in subsidiaries for the years ended June 30, 2024 and 2023:

| | Controlling interest | Non-controlling interests | Total |
|---|---|---|---|
| Balance, July 1, 2022 (Restated) | $ 21,779,098 | $ 14,828,797 | $ 36,607,895 |
| Change in net assets | (2,020,349) | (2,786,825) | (4,807,174) |
| Capital contributions | -0- | 17,163,646 | 17,163,646 |
| Balance, June 30, 2023 | $ 19,758,749 | $ 29,205,618 | $ 48,964,367 |

| | Controlling interest | Non-controlling interests | Total |
|---|---|---|---|
| Balance, July 1, 2023 | $ 19,758,749 | $ 29,205,618 | $ 48,964,367 |
| Change in net assets | (4,060,571) | (3,414,453) | (7,475,024) |
| Capital contributions | -0- | 8,672,387 | 8,672,387 |
| Balance, June 30, 2024 | $ 15,698,178 | $ 34,463,552 | $ 50,161,730 |

The changes in consolidated net assets with donor restrictions are controlling interest only.

17. Prior period adjustment

The Corporation eliminated $2,800,000 of developer fee earned from Rosewood Stark Limited Partnership in its 2023 consolidated financial statements; however, $2,350,000 of the fee was not recognized as revenue in 2023. The effect of correcting the misstatement was an increase to net assets and building of $2,350,000 as of June 30, 2023.

# SUPPLEMENTARY INFORMATION

**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**
DETAILED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2024

| ASSETS | Total Before Consolidation | Eliminations | Total Consolidated |
|---|---|---|---|
| Cash and cash equivalents | $ 3,508,483 | $ - | $ 3,508,483 |
| Restricted cash | 4,886,598 | - | 4,886,598 |
| Accounts receivable | 9,019,942 | (5,223,559) | 3,796,383 |
| Prepaid expenses | 388,083 | - | 388,083 |
| Note receivable | 22,021,616 | (15,859,816) | 6,161,800 |
| Land | 13,687,051 | - | 13,687,051 |
| Depreciable assets, net of accumulated depreciation | 130,842,896 | (13,663,644) | 117,179,252 |
| Construction-in-progress | 78,711 | - | 78,711 |
| Deferred charges, net of accumulated amortization | 736,545 | - | 736,545 |
| Operating lease right-of-use asset, net | 5,319,365 | (2,344,299) | 2,975,066 |
| Interest receivable | 910,983 | (910,983) | - |
| Developer fee receivable | 3,965,750 | (3,965,750) | - |
| Investments | 116,400 | (116,400) | - |
| Total assets | $ 195,482,423 | $ (42,084,451) | $ 153,397,972 |
| LIABILITIES AND NET ASSETS | | | |
| Accounts payable | $ 3,903,708 | $ (1,319,093) | $ 2,584,615 |
| Security deposits payable | 334,550 | - | 334,550 |
| Cash overdraft | 46,986 | - | 46,986 |
| Prepaid rent | 164,760 | - | 164,760 |
| Accrued interest | 1,688,408 | (895,278) | 793,130 |
| Accrued expenses | 2,655,971 | (723,056) | 1,932,915 |
| Due to related parties | 3,195,703 | (3,026,196) | 169,507 |
| Developer fee payable | 3,965,750 | (3,965,750) | - |
| Operating lease liability | 5,714,453 | (2,605,845) | 3,108,608 |
| Notes payable, net of unamortized debt issuance costs | 108,847,844 | (15,798,331) | 93,049,513 |
| Total liabilities | 130,518,133 | (28,333,549) | 102,184,584 |
| NET ASSETS | | | |
| Without donor restrictions, non-controlling interest | | | |
| Controlling interest | 20,352,503 | (4,654,325) | 15,698,178 |
| Non-controlling interest | 43,560,129 | (9,096,577) | 34,463,552 |
| Total without donor restrictions | 63,912,632 | (13,750,902) | 50,161,730 |
| With donor restrictions | 1,051,658 | - | 1,051,658 |
| Total net assets | 64,964,290 | (13,750,902) | 51,213,388 |
| Total liabilities and net assets | $ 195,482,423 | $ (42,084,451) | $ 153,397,972 |

see report of independent auditors

**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**
DETAILED CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended June 30, 2024

| | Total Before Consolidation | Eliminations | Total Consolidated |
|---|---|---|---|
| NET ASSETS | | | |
| REVENUE AND OTHER SUPPORT | | | |
| Government grants and contracts | $ 16,170,591 | $ (340,726) | $ 15,829,865 |
| Private grants and contributions | 1,847,368 | - | 1,847,368 |
| Rental income | 10,447,433 | (367,726) | 10,079,707 |
| Development fees | 2,350,000 | (2,350,000) | - |
| Asset management and resident services fees | 434,642 | (434,642) | - |
| Investment income | 319,698 | (264,245) | 55,453 |
| Other income | 425,395 | 34,055 | 459,450 |
| Pass-through revenue and in-kind contributions | 457,756 | - | 457,756 |
| Net assets released from restrictions | - | - | - |
| Total revenue and other support | 32,452,883 | (3,723,284) | 28,729,599 |
| EXPENDITURES | | | |
| Program services | 34,367,149 | (1,848,186) | 32,518,963 |
| Administrative and support | 2,810,823 | - | 2,810,823 |
| Fundraising | 717,552 | - | 717,552 |
| Total expenditures | 37,895,524 | (1,848,186) | 36,047,338 |
| Change in net assets from operations | (5,442,641) | (1,875,098) | (7,317,739) |
| NONOPERATING ACTIVITIES | - | - | - |
| CHANGE IN NET ASSETS | (5,442,641) | (1,875,098) | (7,317,739) |
| NET ASSETS AT BEGINNING OF YEAR | 61,734,544 | (11,875,804) | 49,858,740 |
| Limited partner contributions, net of distributions | 8,672,387 | - | 8,672,387 |
| NET ASSETS AT END OF YEAR | $ 64,964,290 | $ (13,750,902) | $ 51,213,388 |

see report of independent auditors

**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**

DETAILED CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2024

| | Total Before Consolidation | | | | Eliminations | Total Consolidated |
|---|---|---|---|---|---|---|
| | PROGRAM SERVICES | SUPPORTING SERVICES | | | | |
| EXPENDITURES | Total | Administrative | Communication and Fundraising | Total | | |
| Salaries and benefits | $ 8,159,711 | $ 1,677,467 | $ 590,333 | $ 10,427,511 | $ - | $ 10,427,511 |
| Rent and client assistance | 4,652,125 | - | - | 4,652,125 | - | 4,652,125 |
| Phone and internet | 247,358 | 58,396 | 9,311 | 315,065 | - | 315,065 |
| Dues, subscriptions and other | 1,998,803 | 57,983 | 29,987 | 2,086,773 | - | 2,086,773 |
| Equipment lease and maintenance | 44,020 | 10,709 | 10,463 | 65,192 | - | 65,192 |
| Event expense | 117,620 | 268 | 3,769 | 121,657 | - | 121,657 |
| Gas and mileage | 22,800 | 592 | 101 | 23,493 | - | 23,493 |
| Grants awarded | 17,248 | - | - | 17,248 | - | 17,248 |
| In-kind services and supplies | 457,756 | - | - | 457,756 | - | 457,756 |
| Insurance | 603,760 | 56,344 | - | 660,104 | - | 660,104 |
| Interest expense | 2,871,999 | 63,642 | - | 2,935,641 | (264,245) | 2,671,396 |
| Investor service fees | 43,737 | - | - | 43,737 | (15,000) | 28,737 |
| Occupancy | 2,128,776 | 92,799 | 34,773 | 2,256,348 | (367,726) | 1,888,622 |
| Office supplies | 119,943 | 1,135 | 4,531 | 125,609 | - | 125,609 |
| Permits, licenses and fees | 350,837 | 21,990 | 3,184 | 376,011 | - | 376,011 |
| Professional assistance | 1,036,902 | 363,423 | 9,899 | 1,410,224 | - | 1,410,224 |
| Program expense | 568,558 | 436 | - | 568,994 | - | 568,994 |
| Property maintenance | 2,098,142 | - | - | 2,098,142 | - | 2,098,142 |
| Property management fees | 1,460,881 | - | - | 1,460,881 | (52,199) | 1,408,682 |
| Resident service fees | 391,074 | - | - | 391,074 | (381,555) | 9,519 |
| Staff recruitment and training | 41,273 | 36,366 | 3,312 | 80,951 | - | 80,951 |
| Subcontractors | 1,311,458 | - | - | 1,311,458 | (361,843) | 949,615 |
| Software support | 149,052 | 341,400 | 17,889 | 508,341 | - | 508,341 |
| Depreciation and amortization | 5,473,316 | 27,873 | - | 5,501,189 | (405,618) | 5,095,571 |
| Total expenditures | $ 34,367,149 | $ 2,810,823 | $ 717,552 | $ 37,895,524 | $ (1,848,186) | $ 36,047,338 |

see report of independent auditors

**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024

| Federal Grantor/Pass-Through Grantor/Program Title | AL No. | Pass-Through Identifying Number | Federal Expenditures | Pass-Through to Subrecipients |
|---|---|---|---|---|
| **U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:** | | | | |
| Community Development Block Grants/Entitlement Grants Cluster: | | | | |
| Pass-through Multnomah County, Oregon | 14.218 | DCHS-SVCSGEN-13475-2022 | $ 29,131 | $ - |
| Pass-through City of Gresham, Oregon | | | | |
| Community Development Block Grant | 14.218 | 312246 | 206,756 | 65,818 |
| Pass-through Worksystems, Inc. | 14.218 | 23-60100 | 145,912 | - |
| | | | 381,799 | 65,818 |
| HOME Investment Partnerships Program: | | | | |
| Pass-through City of Gresham, Oregon | 14.239 | 311690 / 311691 / 311694 / 311693 | 737,763 | 49,182 |
| Direct award: Continuum of Care Program | 14.267 | OR0030LOE012215 / OR0017LOE012213 / OR0145LOE012211 | 2,661,716 | 683,349 |
| **TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** | | | 3,781,278 | 798,349 |
| **U.S. DEPARTMENT OF LABOR:** | | | | |
| Pass-through Worksystems, Inc. | | 22-60100 / 22-60101 | | |
| Title 1B-WIA/WIOA Adult | 17.258 | 22-60107 / 22-60180 | 47,671 | - |
| **SMALL BUSINESS ADMINISTRATION:** | | | | |
| Community Navigator Pilot Program | 59.077 | N/A | 15,000 | - |
| **U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:** | | | | |
| Low-Income Household Water Assistance Program: | | | | |
| Pass-through Metropolitan Family Service In-Kind | 93.499 | DCHS-SVCSGEN-15274-2023 | 6,113 | - |
| Low-Income Home Energy Assistance: | | | | |
| Pass-through Metropolitan Family Service | 93.568 | DCHS-SVCSGEN-15274-2023 | 193,147 | - |
| Pass-through Metropolitan Family Service In-Kind | 93.568 | DCHS-SVCSGEN-15274-2023 | 457,930 | - |
| | | | 651,077 | - |
| Community Services Block Grant: | | | | |
| Pass-through Metropolitan Family Service | 93.569 | DCHS-SVCSGEN-15274-2023 | 128,216 | - |
| **TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES** | | | 785,406 | - |
| **TOTAL EXPENDITURES OF FEDERAL AWARDS** | | | $ 4,629,355 | $ 798,349 |

see report of independent auditors and notes to schedule of expenditures of federal awards

**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

1. Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the expenditures of Human Solutions, Inc. dba Our Just Future (an Oregon non-profit public benefit corporation) under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the basic consolidated financial statements.

For purposes of the Schedule, federal awards include all subawards to the Organization by nonfederal organizations pursuant to federal grants, contracts and similar agreements.

2. Summary of significant accounting policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*; wherein certain types of expenditures are not allowed. Assistance Listing numbers ("AL No.") are provided when available.

The Organization utilizes its negotiated indirect cost rate of 19.5%.

3. Pass-through awards to subrecipients

Included in the Schedule are the following amounts passed through to subrecipients:

| Program title | AL No. | Amount Provided to Subrecipients |
|---|---|---|
| Community Development Block Grants | 14.218 | $ 65,818 |
| HOME Investment Partnerships Program | 14.239 | 49,182 |
| Continuum of Care Program | 14.267 | 683,349 |
| Total | | $ 798,349 |

# INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Human Solutions, Inc. dba Our Just Future, which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 4, 2026.

## *Report on Internal Control over Financial Reporting*

In planning and performing our audit of the consolidated financial statements, we considered Human Solutions, Inc. dba Our Just Future's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Human Solutions, Inc. dba Our Just Future's internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-02 that we consider to be significant deficiencies.

## *Report on Compliance and Other Matters*

As part of obtaining reasonable assurance about whether Human Solutions, Inc. dba Our Just Future's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-01 and 2024-02.

**Human Solutions, Inc. dba Our Just Future's *Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on Human Solutions, Inc. dba Our Just Future's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Human Solutions, Inc. dba Our Just Future's response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Human Solutions, Inc. dba Our Just Future's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Human Solutions, Inc. dba Our Just Future's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Novogradac & Company LLP

Portland, Oregon
June 4, 2026

# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

## *Report on Compliance for Each Major Federal Program*

### *Opinion on Each Major Federal Program*

We have audited Human Solutions, Inc. dba Our Just Future's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Human Solutions, Inc. dba Our Just Future's major federal programs for the year ended June 30, 2024. Human Solutions, Inc. dba Our Just Future's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Human Solutions, Inc. dba Our Just Future complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Human Solutions, Inc. dba Our Just Future and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Human Solutions, Inc. dba Our Just Future's compliance with the compliance requirements referred to above.

### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Human Solutions, Inc. dba Our Just Future's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Human Solutions, Inc. dba Our Just Future's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Human Solutions, Inc. dba Our Just Future's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Human Solutions, Inc. dba Our Just Future's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Human Solutions, Inc. dba Our Just Future's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Human Solutions, Inc. dba Our Just Future's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

***Report on Internal Control over Compliance***

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Novogradac & Company LLP

Portland, Oregon
June 4, 2026

**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

**Section I - Summary of Auditor's Results**

Financial Statements

| | | | | |
|---|---|---|---|---|
| Type of auditors' report issued: | | Unmodified | | |
| Internal control over financial reporting: | | | | |
| Material weakness(es) identified? | ✓ | Yes | | No |
| Significant deficiency(ies) identified not considered to be material weaknesses? | | Yes | ✓ | None reported |
| Noncompliance material to financial statements noted? | ✓ | Yes | | No |

Federal Awards

| | | | | |
|---|---|---|---|---|
| Internal Control over major programs: | | | | |
| Material weakness(es) identified? | | Yes | ✓ | No |
| Significant deficiency(ies) identified not considered to be material weaknesses? | | Yes | ✓ | None reported |
| Type of auditor's report issued on compliance for major programs: | | Unmodified | | |
| Audit findings required to be reported in accordance with 2 CFR section 200.516(a)? | | Yes | ✓ | No |

Identification of major program:

| AL Number | Name of Federal Program or Cluster |
|---|---|
| 14.267 | Continuum of Care Program |

| | | | | |
|---|---|---|---|---|
| Dollar threshold used to distinguish between Type A and Type B programs: | | $750,000 | | |
| Auditee qualified as low-risk auditee? | | Yes | ✓ | No |

## Section II - Financial Statement Findings

Finding No. 2024-01

Criteria
The Uniform Guidance, 2 CFR Section 200.512(a) requires the reporting package and data collection form to be submitted to the Federal Audit Clearinghouse (FAC) by the earlier of 30 calendar days after the report is issued or nine months after the end of the reporting period.

Statement of Condition
The Organization did not timely submit the reporting package and data collection form to the FAC for the year ended June 30, 2024.

Effect
As a result of this condition, the reporting package and data collection form were submitted after the deadline and will be considered late. Late submission may subject the Organization to increased oversight and could adversely affect the Organization's ability to obtain future federal funding.

Cause
The Organization records were not completed on time to meet the criteria regarding the reporting package and data collection submission to submit by the required deadline.

Recommendation
We recommend that the Organization assign personnel to monitor the records to be completed timely to meet the requirement of the FAC submission process and ensure the reporting package and data collection form are submitted on time on an ongoing basis.

Views of Responsible Officials and Planned Corrective Action
The management agent is responsible for completing the annual close in a timely manner so that the audit process can begin. The Director of Asset Management and accountant are responsible for monitoring the annual close process to ensure its timeliness and completeness. The Organization will assign personnel to monitor the records and to ensure they are completed timely to meet the requirement of the FAC submission process and ensure the reporting package and data collection form are submitted on time on an ongoing basis

Finding No. 2024-02

Criteria
The Organization is required to establish and maintain effective internal controls over financial reporting to provide reasonable assurance that transactions are properly recorded and assets are safeguarded. Maintaining bank documents and timely preparation and review of cash reconciliations is a key control to ensure the accuracy and completeness of cash balances and related transactions.

Statement of Condition
The Organization could not provide bank statements and related reconciliations for certain operating and reserve accounts. Specifically, reconciliations for certain operating bank accounts were not prepared monthly in accordance with the Organization's internal control policy.

**Section II - Financial Statement Findings (Continued)**

Finding No. 2024-02 (Continued)

Effect
Failure to maintain documents and perform timely cash reconciliations increases the risk that errors, omissions, or unauthorized transactions could occur and not be detected in a timely manner. This could result in misstatements to the financial statements and reduce the reliability of financial reporting.

Cause
The deficiency is due to insufficient internal accounting procedures and limited oversight related to the financial close process. In addition, staffing constraints and transitions in property management during the reporting period contributed to delays in receiving bank documents and completing reconciliations.

Recommendation
We recommend that the Organization assign personnel to monitor the cash reconciliations to be completed timely and ensure complete records of bank statements and reconciling items are available on an ongoing basis.

Views of Responsible Officials and Planned Corrective Action
Management agrees with the finding and plans to strengthen internal controls over financial reporting process. The Organization will implement procedures requiring monthly preparation and review of all cash reconciliations and will assign responsibility to specific personnel to ensure timely completion. Management expects these corrective actions to be fully implemented in the upcoming fiscal year.

**Section III - Federal Award Findings and Questioned Costs**

There were no findings noted.

**HUMAN SOLUTIONS, INC. DBA OUR JUST FUTURE**
SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

**Section II - Financial Statement Findings**

**Finding 2023-001**

The prior year consolidated financial statements of the Organization did not include the consolidation of the partnerships resulting in a prior period adjustment.

**Status –** Resolved. The financial statements of the Organization now include the consolidation of the partnerships.

**Section III -Federal Award Findings and Questioned Costs**

**Finding 2023-002**

The Organization did not timely submit the reporting package and data collection form to the FAC for the year ended June 30, 2023.

**Status –** Resolved. The reporting package and data collection form for the year ended June 30, 2023, has been submitted to the FAC as of December 20, 2024.