

PARROTT CREEK CHILD AND
FAMILY SERVICES, INC.

Audited Financial Statements

For the Year Ended June 30, 2019



McDONALD JACOBS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Parrott Creek Child and Family Services, Inc.

We have audited the accompanying financial statements of Parrott Creek Child and Family Services, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parrott Creek Child and Family Services, Inc. as of June 30, 2019, and changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Parrott Creek Child and Family Services, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 13, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

McDonald Jacobson, P.C.

Portland, Oregon
December 12, 2019

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2019
(With comparative totals for 2018)

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 292,005	\$ 475,225
Accounts receivable	166,504	167,043
Prepaid expenses	22,648	24,425
Unemployment deposit	65,907	89,071
Property and equipment, net	<u>366,420</u>	<u>376,055</u>
TOTAL ASSETS	<u>\$ 913,484</u>	<u>\$ 1,131,819</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 14,301	\$ 14,559
Accrued personnel expenses	172,690	139,206
Deferred rent liability	<u>5,632</u>	<u>6,984</u>
Total liabilities	<u>192,623</u>	<u>160,749</u>
Net assets:		
Without donor restrictions:		
Undesignated	316,133	572,775
Net property and equipment	<u>366,420</u>	<u>376,055</u>
Total without donor restrictions	682,553	948,830
With donor restrictions	<u>38,308</u>	<u>22,240</u>
Total net assets	<u>720,861</u>	<u>971,070</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 913,484</u>	<u>\$ 1,131,819</u>

See notes to financial statements.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2019
(With comparative totals for 2018)

	2019			2018 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenue:				
Contributions	\$ 207,978	\$ 80,500	\$ 288,478	\$ 221,811
Grants and contracts	1,775,119	-	1,775,119	1,969,129
Donated facilities, materials and service	249,176	-	249,176	199,122
Other income	5,358	-	5,358	246
Net assets released from restrictions:				
Satisfaction of purpose restrictions	<u>64,432</u>	<u>(64,432)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>2,302,063</u>	<u>16,068</u>	<u>2,318,131</u>	<u>2,390,308</u>
 Expenses:				
Program services	2,049,964	-	2,049,964	1,943,400
Management and general	344,111	-	344,111	305,121
Fundraising	<u>174,265</u>	<u>-</u>	<u>174,265</u>	<u>140,321</u>
Total expenses	<u>2,568,340</u>	<u>-</u>	<u>2,568,340</u>	<u>2,388,842</u>
 Change in net assets	(266,277)	16,068	(250,209)	1,466
 Net assets:				
Beginning of year	<u>948,830</u>	<u>22,240</u>	<u>971,070</u>	<u>969,604</u>
 End of year	<u>\$ 682,553</u>	<u>\$ 38,308</u>	<u>\$ 720,861</u>	<u>\$ 971,070</u>

See notes to financial statements.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2019

	Program Services			Management and General	Fund- raising	Total
	Residential Programs	Community Programs	Total Program Services			
Salaries and related expenses	\$ 1,182,903	\$ 262,081	\$ 1,444,984	\$ 243,379	\$ 113,907	\$ 1,802,270
Professional fees	194,167	1,130	195,297	27,213	22,024	244,534
Direct client assistance	130,573	976	131,549	2,312	276	134,137
Rent	60,000	15,077	75,077	37,890	9,199	122,166
Building maintenance and utilities	73,061	-	73,061	-	-	73,061
Depreciation	9,635	-	9,635	-	-	9,635
Telephone	16,435	4,926	21,361	2,459	518	24,338
Office expense	12,785	1,943	14,728	10,157	4,799	29,684
Travel and transportation	10,939	7,222	18,161	1,722	2,585	22,468
Insurance	18,794	3,964	22,758	3,745	1,144	27,647
Equipment and maintenance	6,971	1,211	8,182	1,791	1,312	11,285
Miscellaneous	1,891	150	2,041	744	17,003	19,788
Conferences, dues, and training	12,627	8,481	21,108	12,433	1,498	35,039
Supplies	11,746	276	12,022	266	-	12,288
	<u>\$ 1,742,527</u>	<u>\$ 307,437</u>	<u>\$ 2,049,964</u>	<u>\$ 344,111</u>	<u>\$ 174,265</u>	<u>\$ 2,568,340</u>
Total expenses						

See notes to financial statements.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2018

	Program Services			Management and General	Fund- raising	Total
	Residential Programs	Community Programs	Total Program Services			
Salaries and related expenses	\$ 1,164,805	\$ 258,015	\$ 1,422,820	\$ 164,252	\$ 65,657	\$ 1,652,729
Professional fees	164,021	2,213	166,234	65,741	37,873	269,848
Direct client assistance	126,633	730	127,363	780	583	128,726
Rent	60,000	12,187	72,187	30,627	7,436	110,250
Building maintenance and utilities	58,742	-	58,742	253	16	59,011
Depreciation			-	12,822		12,822
Telephone	15,000	5,451	20,451	3,982	561	24,994
Office expense	10,245	1,796	12,041	11,699	5,108	28,848
Travel and transportation	9,449	6,530	15,979	369	345	16,693
Insurance	17,713	3,353	21,066	2,906	894	24,866
Equipment and maintenance	1,727	420	2,147	1,129	1,052	4,328
Miscellaneous	1,629	554	2,183	76	18,086	20,345
Conferences, dues, and training	7,452	3,991	11,443	10,437	1,400	23,280
Supplies	10,466	278	10,744	48	1,310	12,102
	<u>\$ 1,647,882</u>	<u>\$ 295,518</u>	<u>\$ 1,943,400</u>	<u>\$ 305,121</u>	<u>\$ 140,321</u>	<u>\$ 2,388,842</u>
Total expenses						

See notes to financial statements.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2019
(With comparative totals for 2018)

	2019	2018
Cash flows from operating activities:		
Cash received from contributors	\$ 288,478	\$ 221,811
Cash received from grants and contracts	1,781,016	1,956,450
Cash paid for personnel expenses	(1,377,889)	(1,394,317)
Cash paid for operating expenses	<u>(874,825)</u>	<u>(764,255)</u>
Net cash flows from operating activities	<u>(183,220)</u>	<u>19,689</u>
Net change in cash and cash equivalents	(183,220)	19,689
Cash and cash equivalents - beginning of year	<u>475,225</u>	<u>455,536</u>
Cash and cash equivalents - end of year	<u><u>\$ 292,005</u></u>	<u><u>\$ 475,225</u></u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ (250,209)	\$ 1,466
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,635	12,822
(Increase) decrease in:		
Accounts and grant receivable	539	(12,925)
Prepaid expenses	1,777	(3,983)
Unemployment deposit	23,164	6,418
Increase (decrease) in:		
Accounts payable	(258)	7,217
Accrued personnel expenses	33,484	17,056
Deferred lease liability	<u>(1,352)</u>	<u>(8,382)</u>
Net cash flows from operating activities	<u><u>\$ (183,220)</u></u>	<u><u>\$ 19,689</u></u>

See notes to financial statements.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

1. THE ORGANIZATION

Parrott Creek Child and Family Services, Inc. (Parrott Creek or the Organization) is an Oregon nonprofit corporation providing social services to Clackamas County families and youth who are at-risk through poverty, lack of social and job skills, substance abuse, and involvement with the juvenile court system and the child protective system. Funding for services is provided primarily through contracts with the Oregon Youth Authority, State of Oregon and Clackamas County.

The following is the Organization's mission statement:

“In partnership with others, Parrott Creek helps families and youth identify strengths and develop skills that build stronger families and a safer community.”

History and Organizational Background

In the late '50s, boys entering the Clackamas County juvenile justice system were either returned to their homes or sent to the State training school—there was no middle ground. Responding to the realization that Clackamas County needed a place to treat delinquent youth, in 1968 County voters passed a levy to create a residential treatment center on 80 acres of County land south of Oregon City. That center became Parrott Creek Ranch. By 1976, Parrott Creek had also begun providing post-residential services to help boys and their families through their transition back into the home and community.

Over time, as other needs of children and families were identified, many proven programs have been added to the Parrott Creek menu of services. The services became comprehensive enough that in 1995 the Organization was renamed Parrott Creek Child and Family Services. The programs of the Organization include:

Residential Programs:

Residential Treatment for Adjudicated Youth: Youth aged 13-18 who are involved with the juvenile justice system are screened and referred from the Oregon Youth Authority to Parrott Creek, where they live for an average of nine months. The youth receive a full day of treatment through group, individual and family counseling and are enrolled in an alternative, on-site high school operated by the Clackamas Education Service District.

Shelter Care Program: Provides stabilization, assessment, and transition services to boys ages 3 to 18, through 60 to 90 day out-of-home placements. While in Shelter Care, an assessment of the youth, the family home setting, readiness for treatments, and appropriate community support and placement options occur.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2019

1. THE ORGANIZATION, Continued

Community Based Adolescent Programs:

First-time Offender Diversion: Organization counselors, housed in local police stations, meet with youth, family, community members and law enforcement officials to problem-solve and redirect youth who have entered the justice system for the first time. The Organization contracts with Clackamas County to provide this service in the cities of Canby, Gladstone, Lake Oswego, Milwaukie, Oregon City, West Linn and Wilsonville.

LifeGuards: A treatment program for sexual offenders between the ages of 13 and 18 who present low-to-medium risk in relationship to future community safety. Youth are involved in counseling, family counseling, polygraph testing and developing a safety plan for themselves.

Community Based Family Programs:

Steps to Active Recovery (STAR): Provide guidance and support for parents involved with the Child Welfare system because of drug and alcohol issues, connecting them to services that encourage safe and stable parenting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents.

Accounts Receivable

Accounts receivable consist primarily of amounts due from funding sources based upon annual contracts to provide services and are reported at the amount management expects to collect on balances outstanding at year-end. Based on an assessment of the credit history with those having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be immaterial.

Self-Funded Unemployment Insurance

The Organization is self-insured for unemployment and makes periodic payments to a trust company in an amount equal to estimated future claims. Deposits to the trust are recorded as prepaid expenses and are reduced by claims outstanding at year-end. The unemployment liability consists of claims processed but not yet paid as well as an amount for estimated claims incurred but not yet reported.

Property and Equipment

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment purchased are recorded at cost. Donated assets are reflected as contributions at their estimated values on the date received. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets.

Deferred Rent Liability

Rent holidays and escalating lease obligations are expensed on a straight-line basis over the lease term. The difference between the lease obligation and the straight-line amount is reflected as a deferred rent liability. The deferred rent liability is approximately \$5,630 and \$6,980 at June 30, 2019 and 2018, respectively.

Contributions and Grants

Contributions and grants, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenue Recognition for Contracts

Government grants and contracts are billed and recognized as revenue when services are provided.

Donated Facilities, Materials and Services

Donations of property, equipment, materials and other assets are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related expenses, rent, and office expenses which are allocated according to revenue drivers.

Change in Accounting Principle

The Organization has implemented Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The Update modified net asset classification and enhances disclosures regarding liquidity and availability of resources and functional expense reporting. The principle has been applied retrospectively to all periods presented, except for the available resources and liquidity disclosure (see Note 3).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Income Tax Status

Parrott Creek Child and Family Services, Inc. is a nonprofit corporation exempt from federal and state income tax under section 501(c)(3) of the Internal Revenue Code and comparable state law. Based on tax law changes, the Organization may be subject to unrelated business income tax. Any provision for income taxes associated with these changes is estimated to be immaterial. The Organization has no other activities subject to unrelated business income tax. The Organization is not a private foundation.

The Organization follows the provisions of FASB ASC Topic 740 Accounting for Uncertainty in Income Taxes. Management has evaluated the Organization's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this Topic

Summarized Financial Information for 2018

The financial information as of June 30, 2018 and for the year then ended is presented for comparative purposes and is not intended to be a complete financial statement presentation.

Subsequent Events

The Organization has evaluated all subsequent events through December 12, 2019, the date the financial statements were available to be issued. The following subsequent events are noteworthy:

The Organization's Diversion contract with Clackamas County ended June 30, 2019 and was not renewed. This accounted for annual revenues of approximately \$160,000. The Organization is looking at alternate programming and funding sources to replace this.

In August 2019, the Organization entered into a construction contract for capital improvements for approximately \$175,000.

In September 2019, the Organization secured a \$359,000 grant from the Oregon Department of Human Services to make the above mentioned capital improvements and to develop a new residential program.

In September 2019, the Oregon State Legislature approved grant funding for Parrott Creek in the amount of \$3,500,000 to be financed through state lottery bonds expected to be issued in 2021. The grant would be provided on a cost reimbursement basis for the capital redevelopment and expansion of the Organization's facilities.

In November 2019, the Organization signed a service contract with the Oregon Department of Human Services for a new residential program. The maximum contract value is \$857,714 up until December 31, 2020.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2019

3. AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

Financial assets of the Organization consist of the following at June 30, 2019:

	Total Financial Assets	With Donor Restrictions	Available for General Expenditure
Cash and cash equivalents	\$ 292,005	\$ 38,308	\$ 253,697
Accounts receivable, net	<u>166,504</u>	<u>-</u>	<u>166,504</u>
Total financial assets	<u>\$ 458,509</u>	<u>\$ 38,308</u>	<u>\$ 420,201</u>

The Organization is also entitled to a conditional grant of \$10,000. The grant will be recognized as revenue and received upon satisfaction of the conditions which is expected to occur in fiscal 2020.

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2019 and 2018:

	2019	2018
Leasehold improvements	\$ 408,296	\$ 408,296
Furniture and equipment	128,194	128,194
Vehicles	33,900	33,900
Construction in process	<u>74,512</u>	<u>74,512</u>
	644,902	644,902
Accumulated depreciation	<u>(278,482)</u>	<u>(268,847)</u>
Property and equipment, net	<u>\$ 366,420</u>	<u>\$ 376,055</u>

Construction in process includes costs incurred in the development of a master plan for future improvements to Parrott Creek Ranch Campus. The master plan allows for future improvements to be made in phases as funding from both public and private sources is obtained.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
 NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2019

5. CONTINGENCIES

Amounts received or receivable from various contracting agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Organization if so determined in the future. It is management's belief that no significant amounts received or receivable will be required to be returned in the future.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are purpose restricted and consist of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Family engagement	\$ 9,322	\$ 4,770
Enrichment activities	8,678	17,470
Other programs	<u>20,308</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 38,308</u>	<u>\$ 22,240</u>

7. DONATED FACILITIES, MATERIALS, AND SERVICES

The Organization conducts programs and activities from donated facilities. During the years ended June 30, 2019 and 2018, the Organization also received donated teaching and other professional services. Donated facilities, materials, and services (and their respective classification in the statement of functional expenses) consists of the following for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Facilities (included in program rent)	\$ 60,000	\$ 60,000
Materials (included in program supplies)	-	1,310
Teachers' services (included in program professional fees)	178,404	136,812
Other professional services (included in management professional fees)	<u>10,772</u>	<u>1,000</u>
Total donated facilities, materials and services	<u>\$ 249,176</u>	<u>\$ 199,122</u>

Donated teachers services are provided under an agreement with the Canby School District.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2019

8. RETIREMENT PLAN

The Organization has a tax sheltered retirement plan, as defined under Internal Revenue Code Section 403(b), for all employees who elect to participate. The Organization makes discretionary contributions to participating employees based on years of service, and participants may make contributions through a salary reduction agreement. Contributions to the plan totaled \$21,600 and \$41,800 for the years ended June 30, 2019 and 2018, respectively.

9. LEASE COMMITMENTS

The Organization entered into a lease for office space located in Oregon City under operating lease agreements that expired in April 2019 and renewed through July 2030. Starting monthly rent is \$3,766 with scheduled increases. Total annual facility lease expense under these agreements approximated \$58,300 and \$58,600 for each of the years ended June 30, 2019 and 2018, respectively.

The Organization leases office equipment under non-cancelable operating leases expiring at various times from April 2021 through September 2022. Monthly payments range from \$214 to \$576. Lease expense under equipment leases approximated \$9,500 and \$9,200 for the years ended June 30, 2019 and 2018, respectively.

Rent expense (including donated rent discussed in Note 7) for the years June 30, 2019 and 2018 totaled approximately \$126,000 and \$127,800 respectively.

Approximate total future minimum lease payments are as follows:

Year ending June 30, 2020	\$ 77,100
2021	76,400
2022	74,500
2022	69,300
2024	67,600
Thereafter	<u>411,100</u>
Total	<u>\$ 776,000</u>

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2019

10. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in two financial institutions. The balances at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances, at times, may exceed the federally insured limit. Balances in excess of insured limits were approximately \$53,200 and \$51,700 at June 30, 2019 and June 30, 2018, respectively.

The Organization's revenues are concentrated with 71% of total revenues coming from contracts with State of Oregon and Clackamas County agencies for the year ended June 30, 2019 (83% for the year ended June 30, 2018). Accounts receivable are unsecured and balances due from State of Oregon and Clackamas County agencies at June 30, 2019 and 2018 represent 100% of total accounts receivable for both years.