

PARROTT CREEK CHILD AND
FAMILY SERVICES, INC.

Audited Financial Statements

For the Year Ended June 30, 2020



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, 2020, 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 12, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

McDonald Jacobson, P.C.

Portland, Oregon
December 10, 2020

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2020
(With comparative totals for 2019)

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 514,948	\$ 292,005
Accounts receivable	171,427	166,504
Prepaid expenses	8,485	22,648
Unemployment deposit	56,746	65,907
Cash restricted for long term purposes	500,000	-
Property and equipment, net	536,974	366,420
 TOTAL ASSETS	 \$ 1,788,580	 \$ 913,484
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 26,859	\$ 14,301
Accrued personnel expenses	162,919	172,690
Deferred rent liability	19,323	5,632
Refundable advance	309,200	-
Total liabilities	518,301	192,623
Net assets:		
Without donor restrictions:		
Undesignated	143,836	316,133
Net property and equipment	536,974	366,420
Total without donor restrictions	680,810	682,553
With donor restrictions	589,469	38,308
Total net assets	1,270,279	720,861
 TOTAL LIABILITIES AND NET ASSETS	 \$ 1,788,580	 \$ 913,484

See notes to financial statements.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2020
(With comparative totals for 2019)

	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Operating revenue and support:				
Contributions	\$ 249,468	\$ 81,253	\$ 330,721	\$ 288,478
Grants and contracts	1,944,604	-	1,944,604	1,775,119
Donated facilities and services	303,883	-	303,883	249,176
Other income	9,888	-	9,888	5,358
Net assets released from restrictions:				
Satisfaction of purpose restrictions	30,092	(30,092)	-	-
Total operating revenue and support	2,537,935	51,161	2,589,096	2,318,131
Expenses:				
Program services	1,916,918	-	1,916,918	2,049,964
Management and general	340,720	-	340,720	344,111
Fundraising	207,528	-	207,528	174,265
Total expenses	2,465,166	-	2,465,166	2,568,340
Income (loss) from operating activities	72,769	51,161	123,930	(250,209)
Non-operating activities:				
Capital campaign contributions	-	500,000	500,000	-
Loss on disposal of property	(74,512)	-	(74,512)	-
Change in net assets	(1,743)	551,161	549,418	(250,209)
Net assets:				
Beginning of year	682,553	38,308	720,861	971,070
End of year	\$ 680,810	\$ 589,469	\$ 1,270,279	\$ 720,861

See notes to financial statements.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2020
(With comparative totals for 2019)

	Program Services			Management and General	Fund- raising	2020 Total	2019 Total
	Residential Programs	Community Programs	Total Program Services				
Salaries and related expenses	\$ 1,123,372	\$ 171,167	\$ 1,294,539	\$ 187,561	\$ 117,774	\$ 1,599,874	\$ 1,802,270
Professional fees	236,365	3,835	240,200	68,097	57,976	366,273	244,534
Direct client assistance	129,049	473	129,522	1,339	49	130,910	134,137
Rent	60,000	12,014	72,014	41,007	7,781	120,802	122,166
Building maintenance and utilities	75,663	-	75,663	-	-	75,663	73,061
Depreciation	11,324	4,327	15,651	-	-	15,651	9,635
Telephone	11,469	3,495	14,964	3,082	620	18,666	24,338
Office expense	16,863	740	17,603	12,041	4,548	34,192	29,684
Travel and transportation	-	2,516	2,516	802	2,474	5,792	22,468
Insurance	13,364	1,723	15,087	2,603	931	18,621	27,647
Equipment and maintenance	6,196	359	6,555	2,246	1,788	10,589	11,285
Miscellaneous	6,760	-	6,760	1,459	11,952	20,171	19,788
Conferences, dues, and training	12,342	3,688	16,030	18,415	1,635	36,080	35,039
Supplies	9,814	-	9,814	2,068	-	11,882	12,288
Total expenses	<u>\$ 1,712,581</u>	<u>\$ 204,337</u>	<u>\$ 1,916,918</u>	<u>\$ 340,720</u>	<u>\$ 207,528</u>	<u>\$ 2,465,166</u>	<u>\$ 2,568,340</u>

See notes to financial statements.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2020
(With comparative totals for 2019)

	2020	2019
Cash flows from operating activities:		
Cash received from contributors	\$ 330,721	\$ 288,478
Cash received from grants and contracts	1,939,681	1,781,016
Cash received from refundable advance and other receipts	319,088	-
Cash paid for personnel expenses	(1,609,645)	(1,377,889)
Cash paid for operating expenses	(496,185)	(874,825)
Net cash flows from operating activities	483,660	(183,220)
Cash flows from investing activities:		
Purchase of property and equipment	(260,717)	-
Net cash flows from investing activities	(260,717)	-
Cash flows from financing activities:		
Capital campaign contributions	500,000	-
Net cash flows from financing activities	500,000	-
Net change in cash and cash equivalents	722,943	(183,220)
Cash and cash equivalents - beginning of year	292,005	475,225
Cash and cash equivalents - end of year	\$ 1,014,948	\$ 292,005
<u>Reconciliation to statement of financial position</u>		
Cash and cash equivalents	\$ 514,948	\$ 292,005
Cash restricted for long term purposes	500,000	-
	\$ 1,014,948	\$ 292,005

See notes to financial statements.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

1. THE ORGANIZATION

Parrott Creek Child and Family Services, Inc. (Parrott Creek or the Organization) is an Oregon nonprofit corporation providing social services to children and families who face barriers to success due to trauma, poverty, substance misuse, systemic racism, lack of social and job skills and involvement with the juvenile court system and/or the child welfare system. Funding for services is provided primarily through contracts with the 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

Parrott Creek's service history is a 52 year story of local vision and true community commitment. We were founded in 1968 through a citizen-approved bond levy that purchased a farm house and 80 acres of soul-reviving woodland. We launched Parrott Creek Ranch to help kids get away from negative influences and avoid incarceration. Since then we have grown into a robust organization providing a diverse array of culturally responsive, community-based services - from early interventions and community programs through to and including outpatient treatment, Traditional Health Worker support and residential treatment.

Grounded in a child-centered ethos of love and unconditional positive regard, every year we serve approximately 800 of the most vulnerable and at-risk children and families in communities local to us. We ensure that our programs are accessible, trauma-informed and feel safe for Black, Indigenous and Communities of Color to engage with and benefit from.

We are grounded in our communities have operated locally ever since.

In 1995 the Organization was renamed Parrott Creek Child and Family Services. The programs of the Organization include:

Residential Programs:

The Ranch is a long-term residential treatment program that helps boys involved in the juvenile justice system understand the impacts of their behaviors, learn personal regulation and develop the life skills needed to succeed in school, at home, and in society. Residential stays typically last seven to nine months.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2020

1. THE ORGANIZATION, Continued

New Era House, launched November 2019 in partnership with Oregon Department of Human Services, provides residential treatment for foster youth in the Child Welfare system. The program helps alleviate the need for Oregon to place youth out of state and to better nurture and care for them close to home. This program works with highly traumatized youth and those with high Adverse Childhood Experience scores who are very difficult to place in biological or foster families.

Located on the same residential campus, both programs provide youth with full day treatment through group, individual and family counseling as well as being enrolled in an alternative, on-site high school operated by the Clackamas Education Service District.

Enrichment activities including sport, art projects, vocational training and community outings enhance treatment and provide a richer experience for youth.

Community Based Adolescent Programs:

LifeGuards is a treatment program for youth ages of 13 and 18 who have sexually harming behaviors and who present low-to-medium risk in relationship to future community safety. Youth are involved in individual and group therapeutic counseling, family supports and developing a safety plans for themselves.

Community Based Family Programs:

Steps to Active Recovery (STAR) provides guidance and support for parents involved with the Child Welfare system because of substance misuse, connecting them to services that encourage safe and stable parenting.

Children & Mothers Program was launched during the COVID-19 pandemic to better serve young women whose substance misuse impacts their ability to safely parent their children and exposes them to higher risk of contracting the coronavirus. We engage parents in treatment services, help them access preventative healthcare, enter stable housing and reunify with their children/families. Services are provided by peer-mentors/Traditional Health Workers.

In partnership with True Housing, this program provides 25 clean-and-sober housing units, case management and behavioral health support for women and children in SE Portland/North Clackamas area.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2020

1. THE ORGANIZATION, Continued

Other Community Programs:

Cultural Environmental Education & Trauma Healing Project is a unique and ground-breaking project in collaboration with Friends of Tryon Creek (FOTC) and Native American partners. The project will combine environmental education that honors the culture of native land stewardship with the healing power of the natural world through indigenous practices.

Parrott Creek recognizes that their 80 acres of forest, wetland and creek are ancestral lands of the Clackamas people and they are honoring this legacy through a place-based approach that applies their ancient knowledge and traditions to the healing work we, and our other community partners, do with highly traumatized children and families, and with Black, Indigenous, and People of Color (BIPOC) communities in particular.

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, 2020

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 \$19,300 and \$5,600 at June 30, 2020 and 2019, respectively.

Revenue Recognition

Revenues from various sources are recognized as follows:

Contributions: Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenue Recognition, Continued

Government Grants and Contracts: Government grants and contracts are conditioned upon certain performance requirements and/or incurring allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as advances on government grants in the statement of financial position. The Organization has been awarded grants of approximately \$3,550,000 for the period through September 2022 that have not been recognized at June 30, 2020 because qualifying expenditures or performance requirements have not yet been incurred.

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.

Refundable Advance: The Paycheck Protection Program (PPP) loan guaranteed by the Small Business Administration (SBA) is accounted for as a conditional advance and accrues interest at 1%. The advance may be forgiven partially or in its entirety if certain conditions are met, including incurrence of allowable qualifying expenses (mostly personnel and occupancy costs) and acceptance and approval of the forgiveness application by the lender. Upon satisfaction of the conditions, the advance will be recognized as revenue. See Note 12.

Donated Facilities 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 support without donor restrictions 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 estimates of time, effort and use.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

Change in Accounting Principle

The Organization implemented Accounting Standards Update 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists organizations in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The provisions of ASU 2018-08 were implemented applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. There was no significant impact to the Organization's revenue recognition in either year presented for this change in accounting principle.

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. No provision for income taxes is made in the accompanying financial statements, as the Organization has no 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 2019

The financial information as of June 30, 2019 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 10, 2020, the date the financial statements were available to be issued. See Note 12.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2020

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 at June 30, 2020 and 2019:

	2020	2019
Cash and cash equivalents	\$ 514,948	\$ 292,005
Accounts receivable	171,427	166,504
Total financial assets	686,375	458,509
Amounts unavailable for general expenditure:		
Net assets with donor restrictions	(89,469)	(38,308)
Financial assets available for general expenditure	\$ 596,906	\$ 496,817

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2020 and 2019:

	2020	2019
Leasehold improvements	\$ 663,723	\$ 408,296
Furniture and equipment	133,484	128,194
Vehicles	33,900	33,900
Construction in process	-	74,512
	831,107	644,902
Accumulated depreciation	(294,133)	(278,482)
Property and equipment, net	\$ 536,974	\$ 366,420

Construction in process at June 30, 2019 includes costs incurred in the development of a master plan for future improvements to Parrott Creek Ranch Campus. During 2020, management determined that the plan was no longer applicable and will be undertaking new campus development initiatives. These costs incurred to date were written off.

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
 NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2020

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, 2020 and 2019:

	2020	2019
Capital campaign	\$ 500,000	-
Environmental enhance	41,928	-
Family engagement	15,000	9,322
Other programs	32,541	28,986
Total net assets with donor restrictions	\$ 589,469	\$ 38,308

The Organization is in the preliminary stages of a capital campaign for to redevelop the Parrott Creek Ranch Campus.

7. DONATED FACILITIES AND SERVICES

The Organization conducts programs and activities from donated facilities. During the years ended June 30, 2020 and 2019, the Organization also received donated teaching and other professional services. Donated facilities and services (and their respective classification in the statement of functional expenses) consists of the following for the years ended June 30, 2020 and 2019:

	2020	2019
Facilities (program rent)	\$ 60,000	\$ 60,000
Teachers' services (program professional fees)	219,996	178,404
Other professional services (management professional fees)	23,887	10,772
Total donated facilities and services	\$ 303,883	\$ 249,176

Donated teachers services are provided under an agreement with the Clackamas Educational School District (Canby School District for 2019).

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
 NOTES TO FINANCIAL STATEMENTS, Continued
 June 30, 2020

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 \$21,100 and \$-21,600 for the years ended June 30, 2020 and 2019, 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. For part of 2020, the office space sustained water damage and rent was abated for the period of vacancy. Total annual facility lease expense under these agreements approximated \$53,000 and \$58,300 for the years ended June 30, 2020 and 2019, 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 for each of the years ended June 30, 2020 and 2019, respectively.

Rent expense (including donated rent discussed in Note 7) for the years June 30, 2020 and 2019 totaled approximately \$122,500 and \$126,000 respectively.

Approximate total future minimum lease payments are as follows:

Year ending June 30, 2021	\$ 56,300
2022	74,500
2023	69,300
2024	67,600
2025	67,600
Thereafter	<u>343,500</u>
Total	<u>\$ 678,800</u>

PARROTT CREEK CHILD AND FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2020

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 \$755,600 and \$53,200 at June 30, 2020 and June 30, 2019, respectively.

The Organization's revenues are concentrated with 58% of total revenues coming from contracts with State of Oregon and Clackamas County agencies for the year ended June 30, 2020 (71% for the year ended June 30, 2019). Accounts receivable are unsecured and balances due from State of Oregon and Clackamas County agencies at June 30, 2020 and 2019 represent 100% of total accounts receivable for both years.

11. RELATED PARTY TRANSACTION

The Organization received donated legal services of valued at approximately \$22,000 from a firm where a board member is employed. See Note 7.

12. SUBSEQUENT EVENTS

In August 2020, Clackamas County transferred title and deed of the land and buildings associated with "The Ranch" to Parrott Creek. This will be recognized as a capital addition and noncash contribution in 2021.

In December 2020, the Organization received approval to have the entire balance of the PPP refundable advance forgiven. This will be recognized as grant revenue in fiscal 2021.

13. UNCERTAINTY

The Organization has been negatively impacted by the effects of the world-wide coronavirus pandemic. The Organization is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Organization's financial position is not known.