



CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021

with

Independent Auditors' Report

and

Single Audit Reports

CASCADE AIDS PROJECT

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Independent Auditors' Report

The Board of Directors
Cascade AIDS Project

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Cascade AIDS Project (the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, 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.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity'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 consolidated financial statements.

Auditors' Responsibility - Continued

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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cascade AIDS Project as of June 30, 2021, and the changes in its consolidated net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in *Note 1* to the consolidated financial statements, the Organization has adopted the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Our opinion is not modified with respect to this matter.

Other Matters

Other information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards on pages 26 through 28, as required by Title 2 U.S. Code of Federal Regulations 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.

Report on Summarized Comparative Information

We have previously audited Cascade AIDS Project's 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated December 8, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2022, on our consideration of the Organization'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 the Organization's internal control over financial reporting and compliance.

Huffman, Stewart & Schmidt, P.C.

Lake Oswego, Oregon
March 8, 2022

CASCADE AIDS PROJECT

Consolidated Statement of Financial Position

June 30, 2021 <i>(With Comparative Amounts for 2020)</i>	2021	2020
ASSETS		
Cash and cash equivalents	\$ 2,696,402	\$ 1,523,958
Contracts receivable - net <i>(Note 2)</i>	1,940,259	1,643,811
Contributions and grants receivable <i>(Note 3)</i>	477,799	427,296
Accounts receivable - patient service and pharmacy <i>(Note 4)</i>	722,820	357,517
Prepaid expenses	70,939	189,291
Donated inventory for art auction	-	191,133
Deposits and other assets	90,406	80,319
Property and equipment - net <i>(Notes 5, 7, and 16)</i>	3,487,111	3,712,645
Total assets	\$ 9,485,736	\$ 8,125,970
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 342,182	\$ 280,852
Accrued payroll and related expenses	799,309	534,022
Refundable advances	455,739	645,517
Deferred rent and lease incentive <i>(Note 16)</i>	796,576	939,571
Paycheck Protection Program loan <i>(Note 6)</i>	1,034,247	1,034,247
Other notes payable - net <i>(Note 7)</i>	1,877,565	1,976,795
Total liabilities	5,305,618	5,411,004
Commitments and contingencies <i>(Notes 15, 16, and 17)</i>		
Net assets:		
Without donor restrictions <i>(Note 8)</i>	3,022,840	1,819,237
With donor restrictions <i>(Note 9)</i>	1,157,278	895,729
Total net assets	4,180,118	2,714,966
Total liabilities and net assets	\$ 9,485,736	\$ 8,125,970

The accompanying notes are an integral part of the consolidated financial statements.

CASCADE AIDS PROJECT
Consolidated Statement of Activities

Year Ended June 30, 2021 *(With Comparative Totals for 2020)*

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
Revenues, gains, and other support:				
Contracts and cooperative agreements <i>(Notes 10 and 15)</i>	\$ 9,483,738	\$ -	\$ 9,483,738	\$ 8,633,682
Net patient service and pharmacy revenue (net of contractual allowances and discounts)	5,924,926	-	5,924,926	2,322,626
Contributions and grants	392,863	749,479	1,142,342	1,312,120
Paycheck Protection Program loan forgiveness <i>(Note 6)</i>	1,034,247	-	1,034,247	-
In-kind contributions <i>(Note 11)</i>	100,945	-	100,945	314,878
Special events, net of direct expenses <i>(Note 12)</i>	258,952	-	258,952	200,767
Other revenue	21,065	-	21,065	14,541
Net revenues and gains	17,216,736	749,479	17,966,215	12,798,614
Net assets released from restrictions <i>(Note 13)</i>	487,930	(487,930)	-	-
Net revenues, gains, and other support	17,704,666	261,549	17,966,215	12,798,614
Expenses <i>(Note 14)</i> :				
Program services	14,448,771	-	14,448,771	11,416,521
Supporting services:				
Management and general	1,412,719	-	1,412,719	968,875
Development and community engagement	639,573	-	639,573	574,685
Total expenses	16,501,063	-	16,501,063	12,960,081
Increase (decrease) in net assets	1,203,603	261,549	1,465,152	(161,467)
Net assets, beginning of year	1,819,237	895,729	2,714,966	2,876,433
Net assets, end of year	\$ 3,022,840	\$ 1,157,278	\$ 4,180,118	\$ 2,714,966

The accompanying notes are an integral part of the consolidated financial statements.

CASCADE AIDS PROJECT

Consolidated Statement of Functional Expenses

Year Ended June 30, 2021 *(With Comparative Totals for 2020)*

	Program Services					Total	Supporting Services			Total	
	Housing and Support Services	Prevention and Health Services	Southwest Washington Services	Primary Care and Behavioral Health Services	Advocacy and Public Policy		Management and General	Development and Community Engagement	Total	2021	2020
Payroll and related expenses	\$ 1,905,755	\$ 1,133,143	\$ 967,373	\$ 1,822,295	\$ 72,990	\$ 5,901,556	\$ 1,172,518	\$ 417,772	\$ 1,590,290	\$ 7,491,846	\$ 6,250,390
Professional fees	29,936	16,811	16,208	104,964	16,759	184,678	207,243	16,082	223,325	408,003	303,122
Direct client assistance	3,307,971	25,090	491,050	19,538	-	3,843,649	-	-	-	3,843,649	3,370,603
Training, recognition, and recruitment	13,614	6,700	7,483	8,546	19,678	56,021	78,797	1,400	80,197	136,218	89,979
Educational outreach and advertising	-	5,935	-	33,951	6,000	45,886	2,230	2,973	5,203	51,089	71,520
Printing and copying	242	1,716	125	384	-	2,467	456	6,319	6,775	9,242	9,160
Postage and shipping	409	545	536	280	-	1,770	3,177	2,857	6,034	7,804	5,518
Supplies	20,671	92,721	9,304	1,455,532	251	1,578,479	8,218	1,641	9,859	1,588,338	620,638
Pharmacy program fees	-	-	-	902,927	-	902,927	-	-	-	902,927	351,962
Transportation	5,912	2,928	919	3,969	-	13,728	1,324	442	1,766	15,494	59,127
Dues and subscriptions	6,314	4,570	3,577	11,500	23,907	49,868	31,755	14,512	46,267	96,135	36,454
Occupancy	267,824	159,873	164,449	38,825	5,276	636,247	125,068	47,755	172,823	809,070	730,850
Repairs, maintenance, and equipment	54,913	42,543	22,245	161,056	432	281,189	19,766	5,226	24,992	306,181	244,424
Insurance	19,031	11,605	9,446	49,794	467	90,343	9,029	3,531	12,560	102,903	79,868
Food and beverages	1,109	1,006	1,844	2,470	302	6,731	5,306	1,389	6,695	13,426	24,615
Interest expense	-	1,775	8,831	66,419	-	77,025	-	-	-	77,025	107,740
Bad debt expense	-	-	-	-	-	-	2,500	250	2,750	2,750	6,683
Grant expense	72,245	-	-	-	-	72,245	-	-	-	72,245	69,618
Special events	-	-	-	-	-	-	-	400,945	400,945	400,945	99,942
Other	523	68	-	168,599	551	169,741	-	4,160	4,160	173,901	116,635
Total expenses before administrative allocation, depreciation and amortization, and in-kind expenses	5,706,469	1,507,029	1,703,390	4,851,049	146,613	13,914,550	1,667,387	927,254	2,594,641	16,509,191	12,648,848
Carried forward	5,706,469	1,507,029	1,703,390	4,851,049	146,613	13,914,550	1,667,387	927,254	2,594,641	16,509,191	12,648,848

The accompanying notes are an integral part of the consolidated financial statements.

CASCADE AIDS PROJECT

Consolidated Statement of Functional Expenses - Continued

Year Ended June 30, 2021 *(With Comparative Totals for 2020)*

	Program Services					Total	Supporting Services			Total	
	Housing and Support Services	Prevention and Health Services	Southwest Washington Services	Primary Care and Behavioral Health Services	Advocacy and Public Policy		Management and General	Development and Community Engagement	Total	2021	2020
Brought forward	\$ 5,706,469	\$ 1,507,029	\$ 1,703,390	\$ 4,851,049	\$ 146,613	\$ 13,914,550	\$ 1,667,387	\$ 927,254	\$ 2,594,641	\$ 16,509,191	\$ 12,648,848
Administrative allocation	113,795	67,114	36,267	43,434	2,845	263,455	(284,668)	21,213	(263,455)	-	-
Depreciation and amortization	30,999	37,894	112,719	88,321	833	270,766	15,337	5,769	21,106	291,872	287,430
In-kind expenses	-	-	-	-	-	-	14,663	86,282	100,945	100,945	123,745
Total expenses	5,851,263	1,612,037	1,852,376	4,982,804	150,291	14,448,771	1,412,719	1,040,518	2,453,237	16,902,008	13,060,023
Less costs netted with revenue	-	-	-	-	-	-	-	(400,945)	(400,945)	(400,945)	(99,942)
	<u>\$ 5,851,263</u>	<u>\$ 1,612,037</u>	<u>\$ 1,852,376</u>	<u>\$ 4,982,804</u>	<u>\$ 150,291</u>	<u>\$ 14,448,771</u>	<u>\$ 1,412,719</u>	<u>\$ 639,573</u>	<u>\$ 2,052,292</u>	<u>\$ 16,501,063</u>	<u>\$ 12,960,081</u>

The accompanying notes are an integral part of the consolidated financial statements.

CASCADE AIDS PROJECT
Consolidated Statement of Cash Flows

Year Ended June 30, 2021 <i>(With Comparative Totals for 2020)</i>	2021	2020
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 1,465,152	\$ (161,467)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	291,872	287,430
Change in debt issuance costs	2,331	2,166
Bad debt expense	2,750	6,683
Sale (receipt) of donated inventory for art auction	191,133	(191,133)
Paycheck Protection Program loan forgiven	(1,034,247)	-
Net changes in:		
Contracts receivable	(296,448)	(58,900)
Contributions and grants receivable	(53,253)	(58,559)
Accounts receivable - patient service and pharmacy	(365,303)	(152,081)
Prepaid expenses	118,352	(143,339)
Deposits and other assets	(10,087)	(2,906)
Accounts payable and accrued expenses	61,330	(41,325)
Accrued payroll and related expenses	265,287	183,387
Refundable advances	(189,778)	140,180
Deferred rent and lease incentive	(142,995)	(129,881)
Net cash provided (used) by operating activities	306,096	(319,745)
Cash flows from investing activities:		
Purchase of property and equipment	(66,338)	(125,587)
Net cash used by investing activities	(66,338)	(125,587)
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan	1,034,247	1,034,247
Proceeds from other notes payable	-	100,000
Principal payments on notes payable	(101,561)	(72,393)
Net cash provided by financing activities	932,686	1,061,854
Increase in cash and cash equivalents	1,172,444	616,522
Cash and cash equivalents, beginning of year	1,523,958	907,436
Cash and cash equivalents, end of year	\$ 2,696,402	\$ 1,523,958
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 81,636	\$ 98,633

The accompanying notes are an integral part of the consolidated financial statements.

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements

1. Nature of Organization and Summary of Significant Accounting Policies

Organization - Founded in 1983 and incorporated in 1985, Cascade AIDS Project (the Organization) is a private, nonprofit Organization whose mission is to support and empower all people living with or affected by HIV, reduce stigma, and provide compassionate healthcare to the LGBTQ+ community and beyond. The Organization is the oldest and largest AIDS Service Organization in Oregon and Southwest Washington and provides HIV supportive housing and care services, youth and family programming, prevention services, community education, and leadership in public policy and advocacy. The Organization's programs serve the broad and diverse set of communities impacted by HIV, from culturally specific programs focused on the gay, lesbian, bisexual, and transgender community, Black, Indigenous, and People of Color, as well as individuals and families living with HIV. In 2017, the Organization expanded its mission to include the provision of direct health care services to the broader LGBTQ+ community with the opening of Prism Health, its primary care and behavioral health center. In 2019, Prism Health was designated a Federally Qualified Health Center Look Alike. In 2020, the clinic opened an on-site pharmacy.

Program Services - The following programs are provided by the Organization:

Housing and Support - The Housing and Support Services Department coordinates intake into the Organization's services, provides one-on-one support in finding and maintaining housing, offers educational programs to help people living with HIV thrive at home and at work, and builds community among people living with HIV. 653 households (867 people total) received rent, utility, and/or emergency assistance, and 1,110 households received some form of support services for the year ended June 30, 2021. In addition, 2,868 food boxes were provided to households. Assistance with housing includes both long-term and short-term or emergency housing assistance and help moving and finding furnishings. Support services include a program to help clients find meaningful employment and also workshops in budgeting and being a good tenant. Peer mentor programs help people experiencing mental illness and/or substance abuse find and stay in medical care and housing. Culturally specific navigation programs help African American and Latinx clients understand their diagnosis and engage in HIV care. Other programs offered include Camp KC, a week-long residential camp for HIV infected and affected children, and Aging Well, a program that builds community and supports the well-being of aging adults living with or affected by HIV.

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements - Continued

1. Nature of Organization and Summary of Significant Accounting Policies - Continued Program Services - Continued

Prevention and Health Services - The Prevention and Health Services Department provided services to 1,792 people during the year ended June 30, 2021. The Department offers HIV/STI testing services in various locations across Multnomah, Clackamas, Washington, and Clark counties with approximately 1,014 HIV tests completed during the year ending June 30, 2021. The Department also offers low barrier testing through Pivot. Pivot is a community space dedicated to the health and wellness of all gay/bisexual/queer men and trans-identified people with a focus on sexual health and HIV.

Additional services include: programs that support people living with HIV, connecting newly diagnosed individuals with medical care, assisting individuals in enrolling and navigating health insurance, helping clients access pre-exposure prophylaxis (PrEP), providing safer sex materials, and educating the community at large about HIV.

Southwest Washington Services - In partnership with the Washington State Department of Health, the Organization opened a new office in Southwest Washington during the year ended June 30, 2017. The SW Washington program offers a wide range of unified care and prevention services, provides culturally affirming, trauma-informed services to residents of SW Washington (Clark and Skamania counties). A second office in Longview, Washington opened in December 2018, serving Cowlitz and Wahkiakum counties. During the year ended June 30, 2021, staff members enrolled 405 clients in Medical Case Management services and provided housing assistance to 99 households (short and long term rent assistance, emergency rental assistance, and move-in costs), and provided supportive services, such as food and transportation, to 173 clients. Other services provided onsite include employment support and job readiness, peer navigation services (connecting clients to mental health care and substance abuse treatment), support groups, wellness case management, housing advocacy and support, insurance enrollment, PrEP navigation, STI screening and treatment, safer sex supplies, and community education and outreach.

Primary Care and Behavioral Health Services - Prism Health delivers primary care and behavioral healthcare to the general public with an emphasis on providing culturally relevant, affirming and non-judgmental care to the LGBTQ+ community. Prism Health opened for patients on May 2, 2017, as the first LGBTQ primary care clinic in Oregon. During the year ended June 30, 2021, Prism Health saw a total of 1,758 patients for medical services and 106 patients for behavioral health issues.

Advocacy and Public Policy - The Advocacy and Public Policy department advocates for effective HIV public policy at all levels of government. The Organization engages in efforts to advance progressive HIV/AIDS policy and legislation and to educate people living with HIV about how to advocate for their health.

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements - Continued

1. Nature of Organization and Summary of Significant Accounting Policies - Continued

Supporting Services

Development and Community Engagement - The Development and Community Engagement department is charged with inspiring and connecting multiple audiences with our mission and vision in order to build community support. The Organization uses a variety of traditional and new media to share meaningful stories, promote the Organization's ideas, disseminate health research and information, amplify partner voices, and catalyze change. Development activities include creating opportunities for donors and volunteers to engage with the Organization's work, conducting fundraising campaigns, preparing and distributing fundraising materials, and managing other activities involving soliciting contributions from individuals, foundations, corporations, and public entities. Through the Organization's special events, engagements are created that bring people together to build new connections, spark big ideas, raise awareness on critical issues, and inspire meaningful change.

Management and General - The Organization's Management and General activities include executive direction, financial management, accounting, recordkeeping, budgeting and planning, human resources, operations, information technology, workplace JEDI (Justice, Equity, Diversity and Inclusion), advocacy, and related administrative activities. These services provide the necessary developmental, organizational, and managerial support for the effective operation of the Organization's programs.

Basis of Accounting - The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Principles of Consolidation - The consolidated financial statements include the accounts of the Organization and CAP Belmont LLC, a limited liability company that is wholly owned by the Organization. CAP Belmont LLC was formed during 2016. All significant inter-organization balances and transactions have been eliminated.

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements - Continued

1. Nature of Organization and Summary of Significant Accounting Policies - Continued

Basis of Presentation - Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as net assets with donor restrictions or net assets without donor restrictions. Net assets without donor restrictions are those not subject to donor-imposed stipulations. Net assets with donor restrictions are subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

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 consolidated statement of activities as net assets released from restrictions.

Use of Estimates - The preparation of consolidated financial statements in conformity with GAAP requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used in the consolidated financial statements for, among other things, the calculation of depreciation and amortization expense, the allowance for doubtful accounts, and functional allocation of expenses.

Cash Equivalents - The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Contracts Receivable - Contracts receivable are recognized as services are provided in accordance with the terms of the related contract. An allowance for uncollectible balances is recorded based on management's assessment of the specific amounts outstanding.

Accounts Receivable - Accounts receivable are recorded as the related revenues are recognized. The Organization does not assess finance charges on past due amounts.

Property and Equipment - Property and equipment are carried at cost when purchased and at estimated fair value when acquired by gift. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the respective assets, which are generally 5 to 35 years. The Organization capitalizes all property and equipment purchases over \$5,000.

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements - Continued

1. Nature of Organization and Summary of Significant Accounting Policies - Continued

Debt Issuance Costs - Debt issuance costs are reported net with the related long-term debt and are amortized using the straight line method over the term of such debt. Amortization of debt issuance costs is included with interest expense.

Deferred Rent and Lease Incentive - For lease agreements that contain lease incentives and/or rent escalation clauses, the Organization records a liability and amortizes it on a straight-line basis over the term of the lease.

Revenue Recognition - In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the ASU effective July 1, 2020.

Transactions classified as contributions are excluded from the scope of this ASU. Analysis or various provisions of this ASU resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued consolidated financial statements were required on a retrospective basis. The disclosures of revenue have been enhanced in accordance with the ASU.

The Organization's policy for the recognition of revenues is as follows:

Contributions and Grants - The Organization recognizes contribution and grant revenue when cash, securities or other assets; an unconditional promise to give (pledge); or a notification of beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized as revenue until the conditions on which they depend have been met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions and grants receivable expected to be collected over a period exceeding one year are discounted to present value, if material.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor imposed restrictions are reclassified to net assets without donor imposed restrictions, and are reported in the consolidated statement of activities as net assets released from restrictions. Contributions received with donor imposed restrictions that are met in the same year received are reported as contributions without donor imposed restrictions.

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements - Continued

1. Nature of Organization and Summary of Significant Accounting Policies - Continued Revenue Recognition - Continued

Contributions and Grants - Continued - The Organization reports gifts of land, buildings, and equipment as support without donor imposed restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contracts and Cooperative Agreements - The Organization's contract and cooperative agreement revenue is derived from cost-reimbursable grants and contracts from government agencies, 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 grant or contract provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position. At June 30, 2021, the Organization had conditional government grants and contracts totaling approximately \$4,700,000 that have not been recognized as revenue as qualifying expenditures have not yet been incurred.

Net Patient Service and Pharmacy Revenue - Patient revenue is recognized based on the amount the Organization expects to receive in exchange for providing patient care services once the Organization has met its related performance obligation. The performance obligation is typically met at the point in time when the service is provided. The amounts are due from third-party payors, including private insurance and government payors, and include variable consideration for retroactive revenue adjustments that may occur under the terms of the various agreements the Organization has with its payors. Pharmacy revenue is recognized when the prescription is filled and the goods are provided to patients. The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments, discounts, and implicit price concessions provided to uninsured and under-insured patients. The Organization determines its initial estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience with uninsured and under-insured patients. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient care service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. Settlements with third-party payors for retroactive adjustments are included in the estimated transaction price for providing patient care. Estimated settlements are adjusted in future periods as adjustments become known or as new information becomes available.

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements - Continued

1. Nature of Organization and Summary of Significant Accounting Policies - Continued Revenue Recognition - Continued

Net Patient Service and Pharmacy Revenue - Continued - Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to various interpretations. There can be no assurance that regulatory authorities will not challenge the Organization's compliance with these regulations, and it is not possible to determine the impact such claims or penalties would have upon the Organization.

Benefits Provided to Donors at Special Events - The Organization conducts special fundraising events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of the benefits received by participants at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization.

Advertising Expenses - Advertising costs are charged to expense as they are incurred.

Income Taxes - The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state law. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements.

CAP Belmont LLC is a disregarded entity for income tax purposes. As such, its activities are reported on the Organization's annual information returns that are filed with the Internal Revenue Service.

Under GAAP, the recognition of an estimated tax liability and related disclosures is required for tax positions taken by the Organization that may not be sustained under examination by a taxing authority. Management does not believe the Organization has any significant tax positions that would not be sustained under examination and, accordingly, has not recorded an estimated liability. The Organization did not record any penalty or interest related to its tax positions and, if any were recorded, those amounts would be included with management and general expenses.

Administrative Allocation - The Organization's administrative allocation includes management and general costs that directly benefit program services.

Concentrations of Risk - The Organization's financial instruments consist primarily of cash equivalents and contracts receivable. These financial instruments may subject the Organization to concentrations of credit and other risk. At June 30, 2021, and frequently during the fiscal year, cash and cash equivalents balances exceeded amounts insured by the Federal Deposit Insurance Corporation. Contracts receivable are due primarily from governmental agencies and are deemed to be low in risk.

Other Concentrations - The majority of the Organization's revenue is derived from local governments, foundations, and individuals in the Portland metropolitan area. The majority of the Organization's labor force is covered by a collective bargaining agreement. The agreement expires March 31, 2022.

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements - Continued

1. Nature of Organization and Summary of Significant Accounting Policies - Continued

Recent Accounting Pronouncement - In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. This ASU, among other things, will require lessees to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and a right-of-use asset, which represents the lessee's right to use, or control the use of, a specified asset for the lease term. ASU 2016-02 is effective for the Organization on July 1, 2022. The Organization is evaluating the potential impact of this ASU on the Organization's consolidated financial statements.

Summarized Financial Information for 2020 - The accompanying financial information as of and for the year ended June 30, 2020, is presented for comparative purposes only and is not intended to represent a complete consolidated financial statement presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2020, from which the summarized information was derived.

2. Contracts Receivable

	2021	2020
Multnomah County	\$ 986,123	\$ 903,790
Washington County	32,315	23,143
Clackamas County	-	17,210
State of Washington, Department of Health	219,911	280,245
Home Forward	24,690	55,550
Centers for Disease Control and Prevention	102,898	58,444
Department of Housing and Urban Development	121,062	81,256
State of Oregon, Health Division	281,977	187,084
Transition Projects, Inc.	2,821	4,882
Our House of Portland	96,516	22,987
Rand Data Integration	9,610	9,610
Health Resources and Services Administration	48,512	-
Other	23,434	9,220
	1,949,869	1,653,421
Less reserve for uncollectible accounts	(9,610)	(9,610)
Accounts receivable - net	\$ 1,940,259	\$ 1,643,811

At June 30, 2021, contracts receivable includes \$363,024 that has been outstanding for greater than 90 days, of which \$228,732 was collected subsequent to year end.

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements - Continued

3. Contributions and Grants Receivable

Contributions and grants receivable at June 30, consist of the following:

	2021	2020
Unconditional promises expected to be collected in: ^A		
Less than one year	\$ 449,453	\$ 392,296
One to five years ^B	<u>30,837</u>	<u>35,000</u>
	480,290	427,296
Less allowance for doubtful accounts	<u>(2,491)</u>	<u>-</u>
	<u>\$ 477,799</u>	<u>\$ 427,296</u>

^AApproximately 51 percent of the balance at June 30, 2021, is due from two donors.

^BManagement has not recorded a present value discount for these amounts as it is deemed immaterial.

4. Accounts Receivable - Patient Service and Pharmacy

	2021	2020
Patient service revenue	\$ 575,695	\$ 176,167
Pharmacy revenue	<u>147,125</u>	<u>181,350</u>
	<u>\$ 722,820</u>	<u>\$ 357,517</u>

At June 30, 2021, patient service revenue receivable includes \$229,385 that has been outstanding for greater than 90 days, of which \$215,460 was collected subsequent to year end. Management does not believe an allowance for uncollectible accounts is necessary.

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements - Continued

5. Property and Equipment - Net

	2021	2020
Land	\$ 403,000	\$ 403,000
Building and improvements	2,577,933	2,577,933
Office equipment	189,326	189,326
Computer equipment	307,659	282,378
Leasehold improvements	<u>1,198,125</u>	<u>1,181,412</u>
	4,676,043	4,634,049
Less accumulated depreciation and amortization	<u>(1,213,276)</u>	<u>(921,404)</u>
Construction in progress	<u>24,344</u>	<u>-</u>
Net property and equipment	<u><u>\$ 3,487,111</u></u>	<u><u>\$ 3,712,645</u></u>

In January 2022, the Organization entered into a joint venture to purchase certain real property that will operate as a second Prism clinic location for \$2.4 million, with associated debt of \$2.19 million. The Organization acquired a 25 percent equity interest in the property, and will lease the remaining portion from the equity partners under a seven year lease with an option to purchase the remaining interest after a period of five years.

6. Paycheck Protection Program Loans

In April 2020, the Organization received loan proceeds in the amount of \$1,034,247 from Heritage Bank under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), provides for full or partial loan forgiveness if loan proceeds are used for qualifying expenses and certain other conditions are satisfied. In July 2021, the Small Business Administration determined that the Organization met the conditions of the program and forgave the loan in full.

In March 2021, the Organization received proceeds from a second draw of PPP funds (second draw loan) in the amount of \$1,034,247 from Heritage Bank under substantially the same terms as the original PPP loan. While the Organization intends to use the proceeds for purposes consistent with the second draw loan requirements and will therefore qualify for loan forgiveness, management has elected to account for the second draw loan as a liability under GAAP. The second draw loan bears interest at the rate of 1 percent per annum, and loan payments are deferred until July 2022, which is 10 months following the end of the applicable forgiveness period. As such, the second draw loan has been presented as a note payable in the accompanying consolidated statement of financial position. Any amount of the second draw loan that is not forgiven will be repayable ratably over the remaining term of the loan, which matures in March 2026.

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements - Continued

7. Notes Payable - Net

Other notes payable - net consist of the following at June 30:

	2021	2020
Note payable to Heritage Bank in monthly installments of \$9,370 including interest at 3.235 percent per annum through December 2027, at which time the rate will reset based on the change in the ten year Federal Home Loan Bank of Des Moines, resetting every ten years through the maturity date of the note in January 2043 (including net unamortized debt issuance costs of \$51,374 at June 30, 2021). Secured by a deed of trust and assignment of rents on real property with a net book value of \$2,683,787 at June 30, 2021.	\$ 1,689,846	\$ 1,744,460
Note payable to Avita Drugs, LLC in monthly installments of \$1,836 including interest at 4 percent per annum through October 2024, at which time all outstanding principal and interest will be due. Secured by property and equipment with a net book value of \$116,421 at June 30, 2021.	84,751	100,000
Tenant improvement loan payable to PMB Vancouver 604 Memorial Mob, LLC payable in monthly installments of \$3,235 including interest at 8 percent per annum through June 2024.	<u>102,968</u>	<u>132,335</u>
	<u>\$ 1,877,565</u>	<u>\$ 1,976,795</u>

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements - Continued

7. Notes Payable - Net - Continued

Future principal maturities are as follows at June 30, 2021:

Years Ending June 30,	Amount
2022	\$ 107,548
2023	112,818
2024	118,144
2025	88,733
2026	64,876
Thereafter	<u>1,436,820</u>
	1,928,939
Less unamortized debt issuance costs	<u>(51,374)</u>
	<u><u>\$ 1,877,565</u></u>

8. Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following at June 30:

	2021	2020
Available for programs and general operations	\$ 1,853,120	\$ 770,251
Board designated for capital projects at Prism Clinic	100,000	-
Net investment in property and equipment	<u>1,069,720</u>	<u>1,048,986</u>
	<u><u>\$ 3,022,840</u></u>	<u><u>\$ 1,819,237</u></u>

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements - Continued

9. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at June 30:

	2021	2020
Subject to expenditures for specified purposes:		
Prism Clinic	\$ 61,795	\$ 125,000
STI prevention and testing	230,108	138,138
Equity and inclusion	41,457	115,000
HIV and aging	80,172	200,207
Camp KC	17,304	5,000
Housing and supportive services	133,156	20,748
SW Washington services	475,318	158,990
Public policy	-	3,500
 Subject to the passage of time not otherwise restricted	 <u>117,968</u>	 <u>129,146</u>
 Total net assets with donor restrictions	 <u><u>\$ 1,157,278</u></u>	 <u><u>\$ 895,729</u></u>

10. Contracts and Cooperative Agreements

Revenue was earned for services provided under contracts and cooperative agreements with the following agencies, for the years ended June 30:

	2021	2020
Multnomah County	\$ 4,306,146	\$ 4,362,499
Washington County	110,000	70,262
Clackamas County	75,244	84,947
State of Washington, Department of Health	1,709,623	1,655,712
Home Forward	266,710	115,131
Centers for Disease Control and Prevention	336,552	341,346
Health Resources and Services Administration	114,155	-
Department of Housing and Urban Development	479,958	502,712
State of Oregon, Health Division	1,725,223	1,324,407
Transition Projects, Inc.	20,666	22,670
Our House of Portland	300,435	130,798
Other	<u>39,026</u>	<u>23,198</u>
	<u><u>\$ 9,483,738</u></u>	<u><u>\$ 8,633,682</u></u>

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements - Continued

11. In-Kind Contributions

The Organization reports as revenue the fair value of contributed services received where the services require specialized skills, are provided by individuals possessing these skills, and represent services that would have been purchased had they not been donated. During the year ended June 30, 2021, the Organization recorded in-kind contributions of services totaling \$22,163, primarily benefiting management and general and financial development activities.

In addition, the Organization regularly receives contributed services from a large number of volunteers who assist in fundraising and other program efforts and activities but do not meet the reporting standards referred to in the preceding paragraph.

In-kind contributions of equipment and other materials are recorded where there is an objective basis on which to value these contributions and the contributions are an integral part of the Organization's activities. During the year ended June 30, 2021, the Organization recorded \$78,782 in contributed advertising, materials, equipment, prizes, and supplies.

12. Special Events

A summary of the Organization's major fundraising events for the years ended June 30, is as follows:

	AIDS Walk	Art Auction	Other Events	Total	
				2021	2020
Gross revenue	\$ 166,212	\$ 484,149	\$ 9,536	\$ 659,897	\$ 300,709
Less direct expenses	<u>(53,895)</u>	<u>(347,050)</u>	<u>-</u>	<u>(400,945)</u>	<u>(99,942)</u>
Net special event revenue	<u>\$ 112,317</u>	<u>\$ 137,099</u>	<u>\$ 9,536</u>	<u>\$ 258,952</u>	<u>\$ 200,767</u>

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements - Continued

13. Net Assets Released from Restrictions

During the year ended June 30, 2021, the Organization released restricted net assets totaling \$487,930 by incurring expenses in satisfaction of donor restrictions or by the occurrence of other events specified by donors.

14. Expenses

The costs of providing the various programs and activities of the Organization have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The consolidated statement of functional expenses reports certain categories of expenses that are attributable to more than one program and supporting service function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and amortization and occupancy, which are allocated on a square footage basis, as well as payroll and related expenses, which are allocated on the basis of estimates of time and effort.

15. Significant Sources of Revenue and Contingencies

A majority of the Organization's revenue is earned under service contracts with Multnomah County, the State of Oregon, Health Division, the Centers for Disease Control and Prevention, the Department of Housing and Urban Development, and the State of Washington, Department of Health. Amounts received or receivable under these contracts are subject to audit and adjustment by these and other organizations. Any expenditures or claims disallowed as a result of such audits would become a liability. 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 consolidated financial statements.

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements - Continued

16. Operating Lease Commitments

The Organization leases office facilities under operating leases expiring through June 2026, which provide for escalating payments. The total lease amount is charged to expense over the life of the lease on a straight-line basis with the unpaid portion included in deferred rent and lease incentive liability. These leases also include lease incentives for renovation of three of the spaces totaling \$987,605. The value of the renovations is included in property and equipment. The lease incentives are amortized over the life of the leases on a straight-line basis as an offset to rent expense with the remaining obligation included in deferred rent and lease incentive liability.

One lease for office facilities contains an early termination clause which would require the Organization to reimburse the landlord for the unamortized portion of the lease incentive in the event the lease is terminated early by the Organization. Reimbursement would be payable over a five year period, including interest at the rate of 8 percent per annum. In addition, a termination fee equal to four months' base rent would be assessed. The unamortized lease incentive and termination fee at June 30, 2021, would be \$293,046 and \$390,728, respectively.

The Organization also leases various equipment under operating lease agreements that expire through March 2024.

Future minimum lease payments at June 30, 2021, are as follows:

Years Ending June 30,	Amount
2022	\$ 749,355
2023	763,661
2024	809,141
2025	628,838
2026	647,461
	<u>\$ 3,598,456</u>

The above table excludes a number of month-to-month and other short-period leases entered into by the Organization's housing department on behalf of the transitional housing clients it serves.

Rent expense for the years ended June 30, 2021 and 2020, totaled \$767,877 and \$703,096, respectively.

CASCADE AIDS PROJECT

Notes to Consolidated Financial Statements

17. Retirement Plan

The Organization provides substantially all full-time and part-time employees with a qualified profit sharing retirement plan (the Plan) as described under Section 401(k) of the IRC. Employees, who have completed at least 30 consecutive days of employment and have attained the age of 21, may elect to make voluntary contributions to the Plan on a pre-tax basis, up to the limits allowed by law. The Organization makes matching contributions to the Plan up to 3 percent of the annual compensation of each eligible employee. Employees select from several investment options. Contributions to the Plan from the employees vest as accrued, and contributions from the Organization vest over three years. Contributions by the Organization to the Plan totaled \$110,884 and \$103,673 for the years ended June 30, 2021 and 2020, respectively.

18. Liquidity and Availability

The Organization's financial assets available for general expenditure within one year of the statement of financial position date consist of the following at June 30:

	2021	2020
Cash and cash equivalents	\$ 2,696,402	\$ 1,523,934
Contracts receivable - net	1,940,259	1,643,811
Contributions and grants receivable	477,799	427,296
Accounts receivable - patient service and pharmacy	<u>722,820</u>	<u>357,517</u>
Total financial assets available within one year	5,837,280	3,952,558
Less: amounts unavailable for general expenditure within one year, due to restrictions by donors	<u>(1,070,147)</u>	<u>(801,583)</u>
Net financial assets available to management for general expenditure within one year	<u>\$ 4,767,133</u>	<u>\$ 3,150,975</u>

The Organization maintains a policy of structuring its financial assets to be available as general expenditures, liabilities, and other obligations become due.

19. Subsequent Events

Management has evaluated subsequent events through March 8, 2022, the date the consolidated financial statements were available for issue.

On January 1, 2022, the Organization acquired the assets and liabilities of Our House of Portland, resulting in an increase in net assets of approximately \$4.5 million.

CASCADE AIDS PROJECT

Single Audit Reports

CASCADE AIDS PROJECT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services:				
<i>Multnomah County:</i>				
HIV Emergency Relief Project Grants	93.914	HD-SVCSGEN-11956-2020 HD-SVCSGEN-11962-2020 HD-SVCSGEN-11981-2019	\$ 72,245	\$ 583,017
COVID-19 HIV Emergency Relief Project Grants	93.914	HD-SVCSGEN-11981-2020	-	37,056
		Total 93.914	72,245	620,073
<i>Direct Award:</i>				
HIV Prevention Activities - Non-Governmental Organization Based	93.939	N/A	-	336,552
<i>Oregon Health & Science University:</i>				
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	93.924	1004285	-	2,783
<i>Multnomah County:</i>				
HIV Prevention Activities - Health Department Based	93.940	HD-SVCSGEN-11113-2019	-	177,397
<i>Washington County:</i>				
HIV Prevention Activities - Health Department Based	93.940	BCC 16-1112	-	110,000
<i>State of Oregon:</i>				
HIV Prevention Activities - Health Department Based	93.940	155838	-	52,054
<i>State of Washington:</i>				
HIV Prevention Activities - Health Department Based	93.940	CBO24203	-	189,777
<i>Clackamas County:</i>				
HIV Prevention Activities - Health Department Based	93.940	21-009	-	75,244
		Total 93.940	-	604,472
Carried forward			72,245	1,563,880

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

CASCADE AIDS PROJECT

Schedule of Expenditures of Federal Awards - Continued

Year Ended June 30, 2021

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Brought forward			\$ 72,245	\$ 1,563,880
<i>State of Washington :</i>				
COVID-19 HIV Care Formula Grants	93.917	CB024203	-	34,459
<i>Multnomah County:</i>				
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HD-SVCSGEN-12420-2021	-	15,847
Special Projects of National Significance	93.928	HD-SVCSGEN-11954-2020		9,844
<i>Direct Award:</i>				
Health Center Program Cluster: Grants for New and Expanded Services Under the Health Center Program	93.527	N/A	-	114,155
Total U.S. Department of Health and Human Services			72,245	1,738,185
U.S. Department of Housing and Urban Development:				
<i>Direct Award :</i>				
Continuum of Care Program	14.267	N/A	-	479,958
<i>Transition Projects, Inc. :</i>				
Continuum of Care Program	14.267	None	-	20,666
		Total 14.267	-	500,624
<i>Multnomah County :</i>				
Housing Opportunities for Persons with AIDS	14.241	JOHS-SVCSGEN-11047-2019	-	1,591,071
COVID-19 Housing Opportunities for Persons with AIDS	14.241	JOHS-SVCSGEN-11047-2019	-	243,428
<i>Our House of Portland :</i>				
Housing Opportunities for Persons with AIDS	14.241	None	-	76,664
COVID-19 Housing Opportunities for Persons with AIDS	14.241	None	-	112,945
Carried forward			72,245	4,262,917

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

CASCADE AIDS PROJECT

Schedule of Expenditures of Federal Awards - Continued

Year Ended June 30, 2021

Federal Grantor Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Brought forward			\$ 72,245	\$ 4,262,917
<i>State of Oregon :</i>				
Housing Opportunities for Persons with AIDS	14.241	155771/162738/164925/166866	-	676,032
<i>State of Washington :</i>				
Housing Opportunities for Persons with AIDS	14.241	CBO25027	-	87,670
COVID-19 Housing Opportunities for Persons with AIDS	14.241	CBO25316	-	6,021
		Total 14.241	-	2,793,831
Total U.S. Department of Housing and Urban Development			-	3,294,455
Department of the Treasury:				
<i>Multnomah County:</i>				
COVID-19 Coronavirus Relief Fund	21.019	HD-SVCSGEN-12420-2021 JOHS-SVCSGEN-11047-2019	-	82,974
<i>Clark County:</i>				
COVID-19 Coronavirus Relief Fund	21.019	2020-ERAP-05	-	3,950
<i>State of Oregon:</i>				
COVID-19 Coronavirus Relief Fund	21.019	167747/164464	-	283,352
		Total 21.019	-	370,276
Total Department of the Treasury			-	370,276
Federal Communications Commission:				
<i>Direct Award:</i>				
COVID-19 Telehealth Program	32.006	N/A	-	28,717
Total federal expenditures			\$ 72,245	\$ 5,431,633

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

CASCADE AIDS PROJECT

Notes to Schedule of Expenditures of Federal Awards

1. Significant Accounting Policies

Basis of Presentation - The accompanying schedule of expenditures of federal awards (the Schedule) of Cascade AIDS Project includes all federal grant activity of Cascade AIDS Project and has been prepared using the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements. Pass-through entity numbers are presented when available. Because the Schedule presents only a selected portion of the operations of Cascade AIDS Project, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Cascade AIDS Project.

2. Expenditures

Expenditures reported on the schedule are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Consolidated Financial Statements Performed
in Accordance with *Government Auditing Standards***

The Board of Directors
Cascade AIDS Project

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 Cascade AIDS Project (the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, 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 March 8, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 consolidated 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Huffman, Stewart & Schmidt, P.C.

Lake Oswego, Oregon
March 8, 2022

**Independent Auditors' Report on Compliance for
Each Major Federal Program and on Internal Control
Over Compliance Required by the Uniform Guidance**

The Board of Directors
Cascade AIDS Project

Report on Compliance for Each Major Federal Program

We have audited Cascade AIDS Project's (the Organization) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on the Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each of the Organization's major federal programs. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of 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, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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 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 consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Huffman, Stewart & Schmidt, P.C.

Lake Oswego, Oregon
March 8, 2022

CASCADE AIDS PROJECT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Section 1 - Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to consolidated financial statements noted? _____ Yes X No

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of Major Programs:

<u>Federal Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Funds
93.939	HIV Prevention Activities – Non-Governmental Organization Based
93.940	HIV Prevention Activities – Health Department Based

Dollar threshold used to distinguish between Type A and Type B programs \$ 750,000

Auditee qualified as low-risk auditee? X Yes _____ No

CASCADE AIDS PROJECT

Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2021

Section 2 - Consolidated Financial Statement Findings

None.

Section 3 - Federal Award Findings and Questioned Costs

None.

CASCADE AIDS PROJECT

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2021

There were no findings reported in the prior year audit.