



February 6, 2017

## 2016 Financial Report

### Community Development Corporation of Oregon

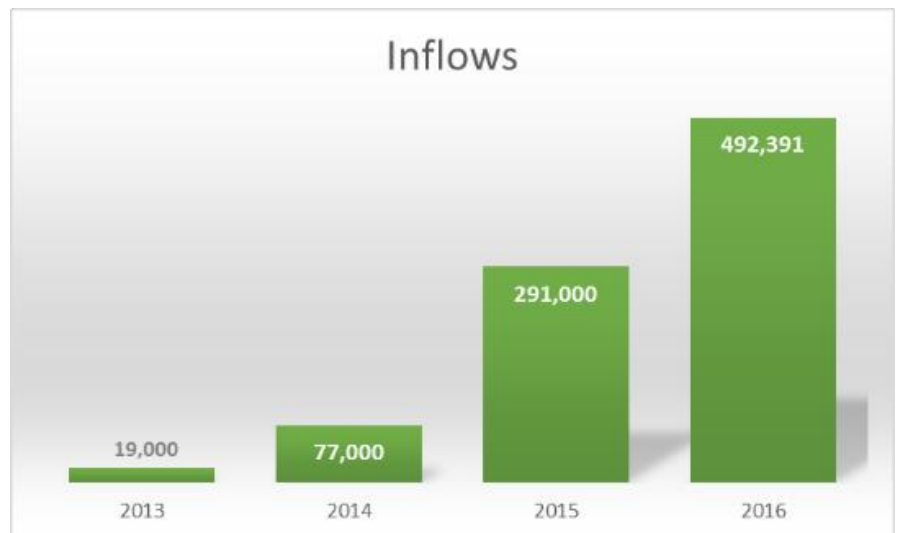
This is a report of the Community Development Corporation of Oregon (dba Rockwood CDC), a 501c3 organization. This report contains the Profit and Loss Statement, the Statement of Cash Flows and the Balance Sheet for the year ended December 31, 2016, plus commentary and notes from management.

#### REVENUE GROWTH

We enjoyed substantial growth in revenues, from \$291,000 in 2015 to \$492,391 in 2016. About 75% of these inflows came from contributions from individuals, corporations, other non-profits, and government units. We earned about 25% of these inflows from services that we provide to government units and from the Sunrise Center.

Looking forward to 2017, we believe that we will at least match the same level of inflows. The Sunrise Center and government contracts are stable and long-term. Most contributors are committed to a long-term relationship with us.

Growth areas for us include expanding the base of smaller individual donors and cultivating major gift donors who could enable us to expand our English Languages Institute and our rapidly developing microenterprise practice.



#### ACCOUNTANT REVIEW

These statements have been reviewed by Red Door Solutions, LLC.

## PROFIT AND LOSS STATEMENT

<b>Income</b>	
Contributions and Grants	
Nonprofit Organization	72,400
Government	37,000
Corporate	64,500
Individual	<u>221,669</u>
Total Contributions and Grants	395,569
Program Service Revenue	
Government Contracts	19,909
Sunrise Center	<u>76,913</u>
Total Program Service Revenue	<u>96,822</u>
Total Income	<u>492,391</u>
<b>Expense</b>	
General & Administrative	25,420
Fundraising	23,372
Program Services	-
Community Outreach	50,022
Community Engagement	87,164
English Language Institute	42,397
Sunrise Center	<u>245,178</u>
Total Program Services	<u>424,761</u>
Total Direct Expenses	<u>473,552</u>
Net Income	<u>18,838</u>

### Revenues

The growth in revenues from 2015 was principally driven by a change in accounting policy that brings our practice in conformance with SFAS 116 & 117. The major effect is that the value of donated facilities, goods and professional services are now included in our financial statements.

Facilities are our office at 337 SE 192<sup>nd</sup> Ave., the Sunrise Center that the City of Gresham leases to us, and the portable classroom that the Reynolds School District has provided for our use. Valuation:

Our office is donated to us by Sunrise Development, LLC. We value the donation at \$7,500;

The Sunrise Center lease was \$0 in 2016, and this will continue until April 2018. We value it for reporting purposes as a \$7,000 per month donation from the City of Gresham, because this was the monthly lease rate that we had when we leased the same building

from Picante, LLC in 2014 and 2015; and,

The portable classroom at Alder Elementary is an estimate based on a survey of lease rates for similar units in the Portland metro area. We value the donation at \$4,000.

Gift-in-kind donations of \$6,000 are valued at our estimate of fair market value.

Professional services are valued one of two ways:

- If a professional sends us an invoice that states the value of services, but also “zeroes it out”, then we book the invoice value as both a non-cash donation and expense. Two professionals donated \$24,900 in this way; and,
- If a professional does not invoice us, but instead records his/her donated hours, we value those hours per the tables that are found at [www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm), and then we book this resulting value as both a non-cash donation and expense. Ten professionals donated \$144,616 in this way.

### Expenses

Activities that are aggregated under **Community Outreach** are the Rockwood Rising project, the Rockwood Pathways Project, Homework Club, Immigrant & Refugee outreach, work at Barberry Village, and the Community Health Worker program.

Activities that are aggregated under **Community Engagement** are Rockwood Speaks, Knocks, Listens, the Shalom Network, the Rockwood Community Action Team, seminars, partnerships, Lunch & Learn, and Steering and Advisory teams.

We gave \$1,274.45 to SnowCap Community Charities to help feed food-insecure neighbors.

**Other Indicators**

We had volunteer activity that is *not* booked or represented in our financial statements. 562 individual people donated 4,981 hours, valued at \$98,687.

We had expenses that are *not* booked or represented in our financial statements. We gave \$14,897 worth of free or reduced Sunrise Center facility rental to these organizations or initiatives: Best HQ, City of Gresham, Kingdom Nation Church, Nonprofit Association of Oregon, PROTO/SBC, Right 2 Root, Shalom Rockwood and This is Rockwood.

**BALANCE SHEET**

<b>ASSETS</b>	
Current Assets	
Checking	5,121
Accounts Receivable	
Accounts Receivable	11,965
Pledges Receivable	26,725
Total Accounts Receivable	<u>38,690</u>
Total Current Assets	43,811
Other Assets	
Taxes Holding	6,334
Security Deposits Asset	8,212
Total Other Assets	<u>14,546</u>
<b>TOTAL ASSETS</b>	<u><b>58,356</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	16,683
Other Current Liabilities	4,615
Total Current Liabilities	<u>21,298</u>
Long Term Liabilities	
Notes, Mortgages, and Leases	20,606
Total Long Term Liabilities	<u>20,606</u>
Total Liabilities	41,904
Equity	
Unrestricted Net Assets	-2,386
Net Income	18,838
Total Equity	<u>16,452</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>58,356</b></u>

We made substantial progress in reducing current liabilities. At year-end 2015, our current liabilities were \$52,553. At year-end 2016, they are \$21,298, which is a 60% reduction. We accomplished this by raising or earning enough funds to pay debts, and by shifting some short-term debts to long-term notes. These notes do not carry an interest rate, a termination date, and are not secured by any of the Company's assets. We believe, based on current income and expense trends, that we will retire these long-term notes in 2017.

## STATEMENT OF CASH FLOWS

<b>OPERATING ACTIVITIES</b>	
Net Income	18,838
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	11,316
Pledges Receivable	-26,725
Accounts Payable	-3,864
Payroll Liabilities	1,936
Short-term Notes - Credit Line	<u>-3,500</u>
Net cash provided by Operating Activities	-1,999
<b>INVESTING ACTIVITIES</b>	
Designated Funds: Taxes Holding	<u>6,237</u>
Net cash provided by Investing Activities	6,237
<b>FINANCING ACTIVITIES</b>	
Notes, Mortgages, and Leases	<u>-1,500</u>
Net cash provided by Financing Activities	<u>-1,500</u>
Net cash increase for period	2,739
Cash at beginning of period	<u>14,857</u>
Cash at end of period	<u><u>17,595</u></u>

Please contact us at (503) 847-9163 with your comments or for further clarification.