



(A Non-Profit Organization)

Annual Financial Report  
Year ended March 31, 2012

*Prepared By:*

***Lauka*** Associates | CERTIFIED PUBLIC ACCOUNTANTS

# Our House of Portland (A Non-Profit Organization)

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***INDEPENDENT AUDITOR'S REPORT***

To the Board of Directors  
Our House of Portland  
Portland, Oregon

We have audited the accompanying statement of financial position of Our House of Portland (a non-profit organization) as of March 31, 2012, and the related statement of activity, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the management of Our House of Portland. 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 of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Our House of Portland as of March 31, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Lauka Associates*

Portland, Oregon  
July 17, 2012

# Our House of Portland (A Non-Profit Organization)

## Statement of Financial Position

March 31, 2012, with comparative totals for 2011

(See Accompanying Notes and Accountant's Audit Report)

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
<b>Current Assets</b>				
Cash	\$ 111,582	\$ 1,645	\$ 113,227	\$ 192,174
Operating reserves	903,662	-	903,662	982,755
Receivables, net	105,794	-	105,794	136,752
Pledges receivable, net	56,271	-	56,271	6,562
Grants & deferred grants receivable	-	339,125	339,125	347,376
Other current assets and prepaids	15,241	-	15,241	20,953
	<u>1,192,550</u>	<u>340,770</u>	<u>1,533,320</u>	<u>1,686,572</u>
<b>Property and Equipment</b>				
Net of accumulated depreciation	2,852,689	-	2,852,689	2,951,292
<b>Other Assets</b>				
Pledges receivable, net	-	-	-	1,500
Deferred grants receivable	-	141,302	141,302	471,672
	<u>-</u>	<u>141,302</u>	<u>141,302</u>	<u>473,172</u>
<b>Total assets</b>	<b><u>\$ 4,045,239</u></b>	<b><u>\$ 482,072</u></b>	<b><u>\$ 4,527,311</u></b>	<b><u>\$ 5,111,036</u></b>
<b>Current Liabilities</b>				
Accounts payable	\$ 21,220	-	\$ 21,220	\$ 12,215
Accrued payroll and payroll liabilities	100,544	-	100,544	161,922
Deferred grant revenue	-	339,125	339,125	344,376
	<u>121,764</u>	<u>339,125</u>	<u>460,889</u>	<u>518,513</u>
<b>Long Term Liabilities</b>				
Equipment financing arrangement	-	-	-	3,815
Deferred grant revenue	-	141,302	141,302	471,672
	<u>-</u>	<u>141,302</u>	<u>141,302</u>	<u>475,487</u>
<b>Net Assets</b>				
Unrestricted	3,923,475		3,923,475	4,115,356
Temporarily restricted		1,645	1,645	1,680
	<u>3,923,475</u>	<u>1,645</u>	<u>3,925,120</u>	<u>4,117,036</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 4,045,239</u></b>	<b><u>\$ 482,072</u></b>	<b><u>\$ 4,527,311</u></b>	<b><u>\$ 5,111,036</u></b>

# Our House of Portland (A Non-Profit Organization)

## Statement of Activity

For the year ended March 31, 2012, with comparative totals for 2011

(See Accompanying Notes and Accountant's Audit Report)

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
<b>Operating Revenues</b>				
Our House net resident service revenue	\$ 1,081,301		\$ 1,081,301	\$ 1,102,202
Neighborhood Housing & Care Program	171,593		171,593	194,232
Swan House net resident service revenue	214,137		214,137	222,201
Other revenue	19,299		19,299	22,950
	<u>1,486,330</u>	<u>-</u>	<u>1,486,330</u>	<u>1,541,585</u>
<b>Operating Expenses</b>				
Our House resident care	1,472,066		1,472,066	1,452,328
Neighborhood Housing & Care expenses	296,311		296,311	317,659
Community Services	155,118		155,118	156,568
Swan House resident care	284,037		284,037	282,181
Administrative	290,806		290,806	297,330
	<u>2,498,338</u>	<u>-</u>	<u>2,498,338</u>	<u>2,506,066</u>
<b>Deficit from operations</b>	<b>(1,012,008)</b>	<b>-</b>	<b>(1,012,008)</b>	<b>(964,481)</b>
<b>Nonoperating Income and (Expenses)</b>				
Contributions, grants & events	1,180,242		1,180,242	1,270,699
Fundraising expenses	(380,835)		(380,835)	(377,623)
Net assets released from restriction	35	(35)	-	-
Loss on disposal of assets	(2,601)		(2,601)	(492)
Investment income	23,286	-	23,286	68,448
	<u>820,127</u>	<u>(35)</u>	<u>820,092</u>	<u>961,032</u>
<b>Change in net assets</b>	<b>(191,881)</b>	<b>(35)</b>	<b>(191,916)</b>	<b>(3,449)</b>
<b>Net Assets, Beginning</b>	<b>4,115,356</b>	<b>1,680</b>	<b>4,117,036</b>	<b>4,120,485</b>
<b>Net Assets, Ending</b>	<b>\$ 3,923,475</b>	<b>\$ 1,645</b>	<b>\$ 3,925,120</b>	<b>\$ 4,117,036</b>

# Our House of Portland (A Non-Profit Organization)

## Statement of Functional Expenses

For the year ended March 31, 2012, with comparative totals for 2011

(See Accompanying Notes and Accountant's Audit Report)

	Program Services				Supporting Services		2012	2011
	Our House Resident Care	Neighborhood	Community Services	Swan House	Admini- strative	Fund- raising	Total	Total
		Housing & Care		Adult Foster Care				
Compensation								
Nursing and related services	\$ 613,934	\$ 57,964		\$ 168,937			\$ 840,835	\$ 821,725
Social worker & Occup. Therapy	150,287	98,114		14,083			262,484	251,289
Housekeeping	26,788			1,542			28,330	32,704
Kitchen manager	30,737						30,737	29,820
Volunteer program	68,828						68,828	69,407
Director	46,681				7,780	23,340	77,801	80,314
Administrative		15,724	50	261	167,659		183,694	185,382
Community Service			28,538				28,538	25,495
Development						136,287	136,287	125,977
Temporary Nursing	9,953						9,953	15,664
Payroll taxes & workers comp	101,120	20,175	3,054	21,632	19,131	16,398	181,510	177,673
Employee benefits, training & recog.	106,431	13,428	5,748	27,489	20,135	17,259	190,490	201,515
Advertising for staff	165						165	263
Total compensation	1,154,924	205,405	37,390	233,944	214,705	193,284	2,039,652	2,017,227
Payroll fees					5,942		5,942	5,953
Audit and accounting fees		1,200	320	800	9,580		11,900	11,000
Bad debts	323						323	25,043
Business consultants	46,645						46,645	37,113
Clinical consultants		8,215					8,215	8,450
Communications	18,104	4,412	1,629	2,834	4,526		31,505	28,827
Credit card fees			1			1,496	1,497	1,973
Depreciation	89,201	692	49	412	22,300		112,654	117,015
Direct mail, marketing, donor cultivation	6,527	28	68	68		17,909	24,600	21,144
Dues and subscriptions				100	2,050		2,150	2,615
Event expenses						141,197	141,197	146,037
Groceries	24,701			12,136			36,837	37,894
Insurance	11,632	2,937	2,542	1,939	2,908		21,958	22,108
Leases	2,943		51,504	15,476			69,923	68,755
Maintenance	25,208		1,754	1,347	6,302		34,611	23,888
Medical supplies	34,480		-	233			34,713	30,843
Other expenses		3,706	2,680	1,165	3,889		11,440	9,443
Postage		10	2		2,195	570	2,777	3,441
Program expenses		15,675	56,279				71,954	82,808
Publications and cable tv	4,702			809			5,511	5,647
Occupational therapy & Quality of living	6,634	1,576		1,306			9,516	12,351
Rental assistance		51,873					51,873	66,205
Security system	1,135			429	284		1,848	2,980
Storage unit rental					3,420		3,420	3,420
Supplies	9,765	582	443	3,818	4,493	4,779	23,880	22,150
Utilities	32,848		345	7,221	8,212		48,626	46,421
Volunteer program	2,294		112				2,406	2,538
Grant-writing						21,600	21,600	20,400
	317,142	90,906	117,728	50,093	76,101	187,551	839,521	866,462
<b>Total expenses</b>	<b>\$ 1,472,066</b>	<b>\$ 296,311</b>	<b>\$ 155,118</b>	<b>\$ 284,037</b>	<b>\$ 290,806</b>	<b>\$ 380,835</b>	<b>\$ 2,879,173</b>	<b>\$ 2,883,689</b>

# Our House of Portland (A Non-Profit Organization)

## Statement of Cash Flows

For the year ended March 31, 2012, with comparative totals for 2011

(See Accompanying Notes and Accountant's Audit Report)

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
<b>Cash Flows Related to Operating Activities</b>				
Change in net assets	\$ (191,881)	\$ (35)	\$ (191,916)	\$ (3,449)
Adjustments to reconcile the change in net assets to cash provided (used) by operating activities:				
Depreciation	112,654		112,654	117,015
Loss on disposal of assets	2,601		2,601	(492)
Receivables	30,958		30,958	20,157
Deferred grants	3,000		3,000	5,125
Pledges receivable	(48,209)		(48,209)	29,202
Other assets	5,715		5,715	953
Accounts payable	9,005		9,005	(8,968)
Accrued liabilities and deposits	(61,378)		(61,378)	(6,007)
<b>Net cash provided (used) by operating activities</b>	<b>(137,535)</b>	<b>(35)</b>	<b>(137,570)</b>	<b>153,536</b>
<b>Cash Flows Related to Financing Activities</b>				
Payments on equipment financing arrangement	(3,815)		(3,815)	(3,814)
<b>Net cash (used) by financing activities</b>	<b>(3,815)</b>	<b>-</b>	<b>(3,815)</b>	<b>(3,814)</b>
<b>Cash Flows Related to Investing Activities</b>				
Investment activity	79,098	-	79,098	(66,579)
Purchase of equipment	(16,655)		(16,655)	(23,078)
<b>Net cash provided (used) by investing activities</b>	<b>62,443</b>	<b>-</b>	<b>62,443</b>	<b>(89,657)</b>
<b>Change in cash</b>	<b>(78,907)</b>	<b>(35)</b>	<b>(78,942)</b>	<b>60,066</b>
<b>Cash, Beginning</b>	<b>190,489</b>	<b>1,680</b>	<b>192,169</b>	<b>132,103</b>
<b>Cash, Ending</b>	<b>\$ 111,582</b>	<b>\$ 1,645</b>	<b>\$ 113,227</b>	<b>\$ 192,169</b>
<b>Noncash Activity</b>				
Donated fixed assets capitalized			\$ -	\$ 17,597
Donated supplies & services expensed			\$ 177,272	\$ 193,653
Donated value of lease for Community Service Program			\$ 59,106	\$ 51,504
Interest Paid			\$ -	\$ -

# Our House of Portland, (A Non-Profit Organization)

Notes to Financial Statements

March 31, 2012

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## NOTE - 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of activities

#### Our House

Our House of Portland (Our House) was established in 1988 as a non-profit residential care facility located in Portland, Oregon, providing facility-based 24-hour nursing care for up to fourteen individuals in the advanced stages of AIDS.

#### Swan House

Swan House is a large 6-bedroom home located in Milwaukie, Oregon and serves five adult low-income persons living with AIDS who need on-site supportive services for moderate physical and/or mental health challenges.

#### Neighborhood Housing & Care (NHCP)

The Neighborhood Housing and Care Program (NHCP) combines stable housing with in-home medical, occupational therapy and social work services for individuals in the community living with AIDS who can establish themselves in a more independent setting.

#### Community Services

The Community Services consists of Tod's Corner and Esther's Pantry which provide financially challenged individuals living with HIV/AIDS access to food, personal care items, clothing, and pet supplies.

#### Revenues

The primary sources of revenues from all of the Our House programs consist of contributions, grants, and payments for community based care.

### Financial statement presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board FASB ASC 958, *Presentation of Financial Statements of Not-for-Profit Organizations*. The Organization reports information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.



# Our House of Portland, (A Non-Profit Organization)

Notes to Financial Statements

March 31, 2012

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## NOTE - 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

### Comparative financial information and expense allocation

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2011, from which the summarized information was derived.

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.

### Use of estimates

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

### Cash and cash equivalents

Cash and cash equivalents include general checking account funds and cash on hand.

### Income taxes

The Organization is a non-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Code. In addition, the Organization qualifies for the charitable contribution deduction under 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

### In-Kind donations and expenses

The Organization receives donations of supplies, medical supplies, printing and other costs that Our House would otherwise purchase. The value of these products is recorded as in-kind contribution revenue and expensed in the financial statements. The value of donated leased property used for the Community Service Program is recorded at fair market value as lease expense.

# Our House of Portland, (A Non-Profit Organization)

Notes to Financial Statements  
March 31, 2012

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## NOTE - 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

### Contributed services

Under Financial Accounting Standards Board FASB ASC 958-605-25, *Contributed Services*, if contributed services create or enhance non-financial assets, or require specialized skills that are performed by people with those skills, and would otherwise be purchased, those services would be recognized as contributions. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, fundraising, and various committee assignments that are not recorded in the financial statements. The Organization receives approximately 20,522 volunteer hours per year. Of these hours, 9,600 are required for daily operations and include services for the cook/dietician, maintenance, medical director, support staff, and receptionists. Management estimates the value of the operational services is about \$209,184.

### Contributions and pledges

Contributions and pledges are recognized when the donor makes a written promise to give that is, in substance, unconditional. Contributions that are restricted by the donor either by purpose and/or time are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as a release from restriction.

### Investments and investment income

Investments including operating reserves with readily determinable market values are stated at fair market value. Realized and unrealized gains are reported in the statement of activity when recognized. Since no restrictions exist on investment income, all income and gains or losses are recorded as non-operating unrestricted activity.

### Property and equipment

Acquisitions of property and equipment in excess of \$500 and expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation.

Depreciation is computed using primarily the straight-line method with the following class lives:

Buildings	39 years
Furniture and equipment	3-7 years

**NOTE - 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Receivables and Allowance for Doubtful Accounts**

Accounts and pledges receivable are stated at cost and do not accrue interest on past due amounts over 30 days. An allowance for doubtful accounts is accrued for the portion of resident receivables over 90 days old. Receivables are charged off as uncollectible after management has made reasonable collection efforts. As of March 31, 2012, there was no accrual for the allowance. An allowance for uncollectible pledges has not been recorded in the financial statements as management estimates that most pledges are collectable and the un-collectable amount is immaterial.

**NOTE - 2      STATE OF OREGON CONTRACTS**

Our House has a personal/professional services contract with the State of Oregon to provide reimbursement for specialized residential care facility services. The current contract period expires June 30, 2012, and has been renewed through June 2014. A service payment is paid for each eligible resident, per month, less any resident income available to apply to the cost. The rates are determined by the State of Oregon and payments are subject to the provisions of ORS 293.462 and shall not exceed the total maximum sum of \$2,114,784 for the period July 1, 2010 – June 30, 2012. Net resident service revenue for the year ending March 31, 2012, includes \$961,347 of state funding.

Swan House has a personal/professional services contract with the State of Oregon to maintain a valid Adult Foster Care Home. The current contract period is for June 1, 2011 –May 31, 2012, and has been renewed through May 2014. A service payment is paid for each eligible resident, per month, less any resident income available to apply to the cost. The rates are determined by the State of Oregon for each client and payments are subject to the provision of ORS 293.462 and cannot exceed the established rate for service. Net resident service revenue for the year ending March 31, 2012, includes \$176,071 of state funding.

# Our House of Portland (A Non-Profit Organization)

Notes to Financial Statements  
March 31, 2012

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## NOTE - 3 OPERATING RESERVES

Investments are carried at market value. The following is a summary of the operating reserve asset mix and investment income at March 31, 2012:

Mutual Funds	
Equity	\$ 380,591
Fixed Income	514,067
Cash and equivalents	<u>9,004</u>
	\$ <u>903,662</u>

The investment income for the year consisted of the following activity:

Realized/Unrealized investment losses	\$ 23,989
Interest and dividends	6,933
Investment fees	<u>(7,636)</u>
<b>Net Investment Income</b>	<b>\$ <u>23,286</u></b>

Mutual funds and other investment products are not insured by the FDIC or any other government agency, and are subject to investment risks, including possible loss of principal invested.

## NOTE 4 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1                      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

Level 2                      Inputs to the valuation methodology include

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3                      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

# Our House of Portland, (A Non-Profit Organization)

Notes to Financial Statements  
March 31, 2012

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## NOTE 4 - FAIR VALUE MEASUREMENTS, (continued)

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Organization at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Our House believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, Our House's assets at fair value as of March 31, 2012:

March 31, 2012	<i>Fair Value Measurements Using:</i>	
	Fair Value	Quoted Prices in Active Markets (Level 1)
Cash and equivalents and CDs	\$ 9,004	\$ 9,004
Mutual funds	894,658	894,658
<b>Total</b>	<b>\$ 903,662</b>	<b>\$ 903,662</b>

## NOTE - 5 RECEIVABLES

Receivable balances at March 31, 2012, consisted of the following:

Trade receivables	\$ 105,794
Individual and auction pledges	<u>56,271</u>
	<b>\$ <u>162,065</u></b>

# Our House of Portland, (A Non-Profit Organization)

Notes to Financial Statements

March 31, 2012

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## NOTE - 6 PLEDGES RECEIVABLE

Unconditional pledges receivable due in more than one year are required to be reflected at the present value of estimated future cash flows using a discount rate. However, the discounts on amounts due in one to five years are considered immaterial. The pledges are stated at the value expected to be received.

Amounts due in:

Less than one year	\$ 56,271
One to five years	<u>-</u>
	\$ <u>56,271</u>

## NOTE - 7 PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2012, consisted of the following:

Automobiles	\$ 45,165
Furniture and fixtures	108,394
Equipment	129,696
Building and improvements	2,969,813
Land	<u>257,346</u>
	3,510,414
Accumulated depreciation	<u>(657,726)</u>
	\$ <u>2,852,689</u>

## NOTE - 8 LINE OF CREDIT

Our House has a line of credit available effective October 2, 2006, for up to \$100,000 collateralized by personal property, equipment, inventory and receivables. The Interest rate is equal to the Wall Street Journal Prime Rate plus 2 percentage points and minimum payments are due monthly. There was \$34,021 borrowed and repaid during the year and as of March 31, 2012 there was no balance due on the line.

# Our House of Portland, (A Non-Profit Organization)

Notes to Financial Statements  
March 31, 2012

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## NOTE - 9      CONCENTRATIONS

### Receivables

Our House is located in Portland, Oregon. The facility grants credit without collateral to its residents, most of who are local residents and are insured under third-party payor agreements or meet the Medicaid eligibility criteria.

The composition of trade receivables and net resident services revenue at March 31, 2012, was as follows:

	Receivable Amount	Trade & Other Receivables	Net Resident Service Revenue
State of Oregon	\$ 98,530	61%	88%
Other	<u>63,534</u>	<u>39%</u>	<u>12%</u>
	<u>\$ 162,065</u>	<u>100%</u>	<u>100%</u>

### Cash

Our House maintains two bank accounts at two institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the interest bearing account. Cash at this institution may occasionally during the year exceed federally insured limits. The non-interest bearing account is fully insured.

### Source of Revenue

Two donor/grantors combined each exceeded 1% of total revenue and accounted for 14% of total revenues for the year ended March 31, 2012.

## NOTE - 10      TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at March 31, 2012, were available for the following purposes:

Quilt Projects	\$ 1,610
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# Our House of Portland (A Non-Profit Organization)

Notes to Financial Statements  
March 31, 2012

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## NOTE - 11 DEFERRED GRANTS

HUD grants are considered exchange transactions and accordingly are not recorded as income in the financial statements until services are performed and costs incurred. Certain other multi-year grants are restricted by time commitments. Multi-year grants are recorded as receivables when pledged, but the income is deferred until earned. Deferred grants consisted of the following activity for the year ended March 31, 2012:

HUD Renewal Grant	<u>\$ 480,427</u>
Current	\$ 339,125
Long-Term	\$ 141,302

## NOTE - 12 COMMITMENTS AND CONTINGENCIES

### Federal Programs

Federal grants received by Our House during the current and previous years since 2005 including, but not limited to, HUD, Oregon Housing and Community Services, and the City of Portland, Oregon, have ongoing monthly and/or annual reporting requirements, tenant income eligibility requirements, and period of use restrictions on the building. These requirements are primarily determined by the U.S. Department of Housing and Urban Development (HUD) and the Portland Development Commission (PDC) and are subject to federal regulation and any Handbooks HUD may issue governing the HOPWA or other federal programs.

A three year HUD/HOPWA grant was renewed for \$1,016,934 for the period 9/1/2010 – 8/31/2013. A total of \$335,621 was received for the renewal grant in the current fiscal year.

### Equipment Financing Arrangement

Our House purchased computer equipment on a financing arrangement with the vendor payable over three years beginning January 13, 2010 with no interest, and monthly payment of \$346.79.

## NOTE 13 – EMPLOYEE BENEFIT PLAN

Our House has a 403(b) tax sheltered plan which covers essentially all employees. Contributions to the plan are discretionary. No contributions were made by Our House during the fiscal years ended March 31, 2012 and 2011.

# Our House of Portland, *(A Non-Profit Organization)*

Notes to Financial Statements

March 31, 2012

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## **NOTE - 14      MANAGEMENT REVIEW AND EVALUATION OF SUBSEQUENT EVENTS**

Subsequent events have been evaluated through July 17, 2012, which is the date the financial statements were available to be issued. This review and evaluation revealed no new material event or transaction which would require an additional adjustment to or disclosure in the accompanying financial statements.