



(A Not-for-Profit Organization)

Annual Financial Report
Year ended March 31, 2014

Prepared By:

Lauka Associates | CERTIFIED PUBLIC ACCOUNTANTS

Our House of Portland (A Not-For-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 not-for-profit organization) as of March 31, 2014, and the related statement of activity, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from Our House of Portland's March 31, 2013 financial statements and in our report, dated July 1, 2013, we expressed an unqualified opinion on those financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Our House of Portland as of March 31, 2014, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Lauka Associates

Portland, Oregon
July 4, 2014

Our House of Portland (A Not-for-Profit Organization)

Statement of Financial Position
 March 31, 2014, with comparative totals for 2013

(See Accompanying Notes and Accountant's Audit Report)

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
Current Assets				
Cash	\$ 73,784	\$ 7,555	\$ 81,339	\$ 40,742
Operating reserves	1,017,253	-	1,017,253	962,029
Receivables, net	105,933	-	105,933	62,792
Pledges receivable, net	112,224	-	112,224	59,167
Grants & deferred revenue receivable	-	254,095	254,095	153,045
Other current assets and prepaids	24,955	-	24,955	23,353
	<u>1,334,149</u>	<u>261,650</u>	<u>1,595,799</u>	<u>1,301,128</u>
Property and Equipment				
Net of accumulated depreciation	2,699,067	-	2,699,067	2,752,835
Other Assets				
Deferred grants receivable	-	860,566	860,566	-
	<u>-</u>	<u>860,566</u>	<u>860,566</u>	<u>-</u>
Total assets	<u>\$ 4,033,216</u>	<u>\$ 1,122,216</u>	<u>\$ 5,155,432</u>	<u>\$ 4,053,963</u>
Current Liabilities				
Accounts payable	\$ 76,452	\$ -	\$ 76,452	\$ 33,685
Accrued payroll and payroll liabilities	146,033	-	146,033	103,827
Deferred revenue	875	254,095	254,970	155,495
Other current liabilities	100,000	-	100,000	75,000
	<u>323,360</u>	<u>254,095</u>	<u>577,455</u>	<u>368,007</u>
Long Term Liabilities				
Deferred grant revenue	-	860,566	860,566	-
Net Assets				
Unrestricted	3,709,856	-	3,709,856	3,682,993
Temporarily restricted	-	7,555	7,555	2,963
	<u>3,709,856</u>	<u>7,555</u>	<u>3,717,411</u>	<u>3,685,956</u>
Total liabilities and net assets	<u>\$ 4,033,216</u>	<u>\$ 1,122,216</u>	<u>\$ 5,155,432</u>	<u>\$ 4,053,963</u>

Our House of Portland (A Not-for-Profit Organization)

Statement of Activity

For the year ended March 31, 2014, with comparative totals for 2013

(See Accompanying Notes and Accountant's Audit Report)

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
Operating Revenues from Continuing Operations				
Our House net resident service revenue	\$ 1,008,878		1,008,878	\$ 1,022,765
Neighborhood Housing & Care Program	287,447		287,447	162,911
Other revenue	16,298		16,298	22,462
	<u>1,312,623</u>	<u>-</u>	<u>1,312,623</u>	<u>1,208,138</u>
Operating Expenses from Continuing Operations				
Our House resident care	1,499,460		1,499,460	1,474,754
Neighborhood Housing & Care expenses	366,665		366,665	264,311
Community Services	169,924		169,924	165,184
Administrative	337,888		337,888	312,738
	<u>2,373,937</u>	<u>-</u>	<u>2,373,937</u>	<u>2,216,987</u>
Deficit from continuing operations	(1,061,314)	-	(1,061,314)	(1,008,849)
Discontinued Operations				
Swan House net resident service revenue	23,346		23,346	127,712
Swan House resident care expenses	23,346		23,346	207,089
Deficit from discontinued operations	-	-	-	(79,377)
Nonoperating Income and (Expenses)				
Contributions, grants & events	1,610,078	5,718	1,615,796	1,194,262
Fundraising expenses	(577,637)		(577,637)	(403,569)
Net assets released from restriction	1,126	(1,126)	-	-
Loss on disposal of assets	(364)		(364)	(1,307)
Investment income	54,974		54,974	59,676
	<u>1,088,177</u>	<u>4,592</u>	<u>1,092,769</u>	<u>849,062</u>
Change in net assets	26,863	4,592	31,455	(239,164)
Net Assets, Beginning	3,682,993	2,963	3,685,956	3,925,120
Net Assets, Ending	\$ 3,709,856	\$ 7,555	\$ 3,717,411	\$ 3,685,956

Our House of Portland (A Not-for-Profit Organization)

Statement of Functional Expenses

For the year ended March 31, 2014, with comparative totals for 2013

(See Accompanying Notes and Accountant's Audit Report)

	Program Services			Supporting Services		2014	2013
	Our House Resident Care	Neighborhood Housing & Care	Community Services	Admini- strative	Fund- raising	Total	Total
Compensation							
Nursing and related services	\$ 665,263	\$ 71,640				\$ 736,903	\$ 812,943
Social worker & Occup. Therapy	159,022	132,678				291,700	248,635
Housekeeping	28,923					28,923	27,213
Kitchen manager	33,072					33,072	29,631
Volunteer program	74,228					74,228	70,712
Executive Director	53,715			8,953	26,857	89,525	77,662
Administrative	-	27,758	27	170,472		198,257	190,200
Community Service	-		32,510			32,510	29,809
Development	-				147,283	147,283	140,515
Temporary Nursing	1,668					1,668	13,975
Payroll taxes & workers comp	104,310	25,820	3,382	19,734	16,915	170,161	180,374
Employee benefits, training & recog.	121,064	17,923	5,903	22,904	19,632	187,426	182,020
Advertising for staff	150	402				552	464
Total compensation	1,241,415	276,221	41,822	222,063	210,687	1,992,208	2,004,153
Payroll fees	-			6,448		6,448	5,892
Audit and accounting fees	-	1,500	800	10,600		12,900	12,300
Bad debts	1,340					1,340	4,624
Business consultants	-			28,825		28,825	43,249
Clinical consultants	500	563				1,063	1,983
Communications	14,097	5,845	1,626	3,524		25,092	31,310
Credit card fees	-				3,866	3,866	4,633
Depreciation	79,658	1,124	195	19,914		100,891	109,803
Direct mail, marketing, donor cultivation	1,383	400			17,350	19,133	24,383
Dues and subscriptions	-			2,168		2,168	2,847
Event expenses	-				311,922	311,922	148,716
Groceries	26,595		30,394			56,989	64,409
Insurance	12,938	2,588	2,889	3,234		21,649	25,903
Leases	-		69,432	4,524		73,956	84,912
Maintenance	28,126	567		7,031		35,724	26,991
Medical supplies	26,761	334				27,095	26,589
Other expenses	2,037	5,753	4,001	3,606	3,967	19,364	19,352
Postage	-			361	572	933	2,359
Program expenses	306	15,913	18,121			34,340	22,084
Publications and cable tv	5,217					5,217	5,819
Occupational therapy & Quality of living	6,441	2,771				9,212	8,661
Rental assistance	-	51,320				51,320	43,235
Security system	1,093			273		1,366	2,987
Storage unit rental	-			3,462		3,462	3,420
Supplies	10,139	1,766	644	4,796	7,673	25,018	22,968
Utilities	38,314			9,579		47,893	47,918
Volunteer program	3,100					3,100	2,191
Grant-writing	-				21,600	21,600	21,600
Interest	-			7,480		7,480	2,354
	258,045	90,444	128,102	115,825	366,950	959,366	823,492
Total expenses	\$ 1,499,460	\$ 366,665	\$ 169,924	\$ 337,888	\$ 577,637	\$ 2,951,574	\$ 2,827,645

Our House of Portland (A Not-for-Profit Organization)

Statement of Cash Flows

For the year ended March 31, 2014, with comparative totals for 2013

(See Accompanying Notes and Accountant's Audit Report)

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
Cash Flows Related to Operating Activities				
Change in net assets	\$ 26,863	\$ 4,592	\$ 31,455	\$ (239,163)
Adjustments to reconcile the change in net assets to cash provided (used) by operating activities:				
Depreciation	100,891		100,891	109,803
Loss on disposal of assets	364		364	1,307
Receivables	(43,141)		(43,141)	43,002
Deferred grants	(1,575)		(1,575)	2,450
Pledges receivable	(53,057)		(53,057)	(2,896)
Other assets	(1,602)		(1,602)	(8,112)
Accounts payable	42,767		42,767	12,465
Accrued liabilities and deposits	42,206		42,206	3,283
Net cash provided (used) by operating activities	113,716	4,592	118,308	(77,861)
Cash Flows Related to Financing Activities				
Proceeds from line of credit borrowings	305,000		305,000	272,770
Payments on line of credit	(280,000)		(280,000)	(197,770)
Net cash provided (used) by financing activities	25,000	-	25,000	75,000
Cash Flows Related to Investing Activities				
Purchase/reinvestment of investments	(55,224)	-	(55,224)	(58,367)
Purchase of equipment	(47,488)		(47,488)	(11,257)
Net cash provided (used) by investing activities	(102,712)	-	(102,712)	(69,624)
Change in cash	36,005	4,592	40,597	(72,485)
Cash, Beginning	37,779	2,963	40,742	113,227
Cash, Ending	\$ 73,784	\$ 7,555	\$ 81,339	\$ 40,742
Noncash Activity				
Donated supplies & services expensed			\$ 97,953	\$ 110,819
Donated value of lease for Community Service Program			69,432	69,432
Interest Paid			\$ 7,480	\$ 2,354

Our House of Portland (A Not-For-Profit Organization)

Notes to Financial Statements
March 31, 2014

NOTE - 1 ORGANIZATION AND 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.

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.

Swan House (discontinued effective January 1, 2013)

Our House transferred management and operations of Swan House to Swan House, LLC effective January 1, 2013. Any grant revenue received for Swan House during the fiscal year was transferred to the new owner. Swan House closed permanently in July 2013.

Revenues

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

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, 2013, from which the summarized information was derived.

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

Functional allocation of expenses

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)(1) 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). Management believes it is in compliance with the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes. U.S. GAAP requires management to evaluate tax positions taken and recognize a tax liability (or asset) if uncertain positions have been taken that more likely than not would not be sustained upon examination by taxing authorities. Our House is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Our House is no longer subject to audits by the Internal Revenue Service for years prior to 2011.

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.

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

Contributed services

Under generally accepted accounting principles (GAAP), 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 19,632 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 \$442,702.

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

Our House of Portland, (A Not-For-Profit Organization)

Notes to Financial Statements
March 31, 2014

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

Receivables and Allowance for Doubtful Accounts

Receivables consist of service revenue receivables, events, pledges, and grants. They 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 with no current payment plan. Receivables are charged off as uncollectible after management has made reasonable collection efforts. As of March 31, 2014, 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 DEFERRED REVENUE

HUD grants and State of Oregon 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 revenue consisted of the following activity for the year ended March 31, 2014:

Deferred Grant Revenue	\$ 256,459
HUD Renewal Grant	858,202
Total Deferred Revenue	<u>\$ 1,114,661</u>
Current	\$ 254,095
Long-Term	\$ 860,566

NOTE - 3 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	\$ 109,370
One to five years	-
	<u>\$ 109,370</u>

Our House of Portland (A Not-For-Profit Organization)

Notes to Financial Statements
March 31, 2014

NOTE - 4 OPERATING RESERVES AND FAIR VALUE

In accordance with generally accepted accounting principles, Our House uses the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes;

Level 2 – Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data;

Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk, such as bid/ask spreads and liquidity discounts.

The following is a summary of the fair values of investments, which are measured on a recurring basis using Level 1 inputs, at March 31; 2014;

Equities	\$ 441,408
Fixed Income	551,668
Money market instruments	24,177
	<u>\$ 1,017,253</u>

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

Realized/Unrealized investment losses	\$ 41,731
Interest and dividends	22,855
Investment fees	(9,612)
Net Investment Income	<u><u>\$ 54,974</u></u>

Market Risk

Our House invests in a professionally managed portfolio of primarily mutual funds. Such investments are exposed to market and credit risks. Therefore, Our House investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

Our House of Portland, (A Not-For-Profit Organization)

Notes to Financial Statements
March 31, 2014

NOTE - 5 PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2014, consisted of the following:

Automobiles	\$ 45,165
Furniture and fixtures	115,238
Equipment	129,044
Building and improvements	2,992,014
Land	257,346
	<hr/>
	3,538,807
Accumulated depreciation	(839,740)
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	<u>\$ 2,699,067</u>

NOTE - 6 LINE OF CREDIT

Our House has an annual renewable variable rate revolving line of credit available for up to \$500,000 maturing on October 3, 2014. The loan is collateralized by personal property, equipment, inventory and receivables. The interest rate is equal to the Wall Street Journal Prime Rate and minimum payments are due monthly. There was \$305,000 borrowed and \$280,000 repaid during the year. As of March 31, 2014 there was \$100,000 due on the line which is categorized as "Other current liabilities" on the Statement of Financial Position.

NOTE - 7 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at March 31, 2014, were available for the following purposes:

Quilt projects	\$ 5,180
Garden project	1,657
Kitchen supplies	718
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	<u>\$ 7,555</u>

Our House of Portland, (A Not-For-Profit Organization)

Notes to Financial Statements
March 31, 2014

NOTE - 8 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 and pledges receivables and net resident service revenue at March 31, 2014, was as follows:

	Receivable Amount	Trade & Pledges Receivables	Net Resident Service Revenue
State of Oregon	\$ 97,137	45%	88%
Other	121,020	55%	12%
	<u>\$ 218,157</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 each exceeded 1% of total revenue and combined accounted for 39% of total revenues for the year ended March 31, 2014.

NOTE - 9 RESIDENT SERVICE REVENUES

Resident service revenues include DHS State of Oregon service contract income, resident private pay income, and contract revenues from CareOregon, FamilyCare, and the State of Oregon.

OUR HOUSE DHS STATE OF OREGON CONTRACTS and RESIDENT PRIVATE PAY

Our House has a personal/professional services contract with the Department of Human Services (DHS) with the State of Oregon to provide reimbursement for specialized residential care facility services. The current contract period expires June 30, 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, 2012 – June 30, 2014. Net resident service revenue for the year ending March 31, 2014, includes \$913,302 of state funding. The contract was renewed through June 2015.

NOTE - 9 RESIDENT SERVICE REVENUES - *cont*

NHCP DHS STATE OF OREGON CONTRACT

NHCP received a reimbursement grant through the Department of Human Services (DHS) with the State of Oregon effective August 1, 2013 to June 30, 2015 for up to \$350,000 for the NHCP program. The grant was awarded to fund the development and strengthening of the NHCP program with the objective of implementing a system of education and training for family and friend Caregivers and facilities that are not currently knowledgeable about HIV/AIDS, and provide sustainable funding for the future of NHCP. A total of \$93,541 was earned for this program during the fiscal year.

CAREOREGON

Effective December 1, 2013 renewing annually for successive periods unless terminated. Parties have agreed to work together to develop a pilot program for enrollment of COA Plus members in the Our House and NHCP program and establish a specific plan for ongoing evaluation. Care Oregon pays \$1000 per month for each CareOregon Advantage Plus member enrolled in the program for a full month. A total of \$28,258 was earned for this program during the fiscal year with \$17,258 to Our House and \$11,000 to NHCP.

FAMILYCARE

Effective February 1, 2014 renewing annually for successive periods unless terminated. FamilyCare is a Medicare services and compensation contract. Parties have agreed to work together to develop a pilot program for enrollment of FamilyCare members into Our House or NHCP. Covered services shall be provided to members enrolled in the MA Plan in accordance with Medicare guidelines including but not limited to CMS Payment Guidelines and the Medicare Advantage-Specific Provision. Covered services shall be provided to members enrolled in the Oregon Health Plan as executed through a Health Plan Services Contract, Coordinated Care Organization Contract with the Oregon Health Authority. FamilyCare pays \$1000 per month for each FamilyCare member enrolled in the program for a full month. A total of \$3,000 was earned for this program during the fiscal year with \$1000 to Our House and \$2,000 to NHCP.

SWAN HOUSE DHS STATE OF OREGON CONTRACT

Swan House had a personal/professional services contract with the State of Oregon to maintain a valid Adult Foster Care Home. The contract period was for June 1, 2012 –May 31, 2014. The contract was not renewed by Our House.

NOTE - 10 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 awarded for \$1,050,849 for the period 9/1/2013 – 8/31/2016. A total of \$192,647 was earned for the renewal grant during the fiscal year.

NOTE 11 – 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, 2014 and 2013.

NOTE - 12 MANAGEMENT REVIEW AND EVALUATION OF SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 4, 2014, 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.