



*(A not-for-profit organization)*

Our House of Portland  
Annual Financial Statements  
Year ended March 31, 2015  
*With summarized financial information as of 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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Our House of Portland (a not-for-profit organization) which comprise the statements of financial position as of March 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2015, 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.

### ***Report on Summarized Comparative Information***

We have previously audited Our House of Portland's March 31, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 4, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Lauka Associates*

Portland, Oregon  
July 8, 2015

# Our House of Portland (A not-for-profit organization)

Statements of Financial Position  
March 31, 2015, with comparative totals for 2014

*(See Accompanying Notes and Accountant's Audit Report)*

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
<b>Current Assets</b>				
Cash	\$ 57,137	\$ 5,893	\$ 63,030	\$ 81,339
Operating reserves	1,077,417	-	1,077,417	1,017,253
Receivables, net	140,599	-	140,599	105,933
Pledges receivable, net	129,317	-	129,317	112,224
Contributions & grants receivable	46,382	475,656	522,038	254,095
Other current assets and prepaids	32,280	-	32,280	24,955
	<u>1,483,132</u>	<u>481,549</u>	<u>1,964,681</u>	<u>1,595,799</u>
<b>Property and Equipment</b>				
Net of accumulated depreciation	2,699,035	-	2,699,035	2,699,067
<b>Other Assets</b>				
Contributions & grants receivable	-	148,185	148,185	860,566
<b>Total assets</b>	<u><b>\$ 4,182,167</b></u>	<u><b>\$ 629,734</b></u>	<u><b>\$ 4,811,901</b></u>	<u><b>\$ 5,155,432</b></u>
<b>Current Liabilities</b>				
Accounts payable	\$ 20,901	\$ -	\$ 20,901	\$ 76,452
Accrued payroll and payroll liabilities	159,617	-	159,617	146,033
Deferred contributions & grants revenue	46,382	475,656	522,038	254,970
Line of credit	100,000	-	100,000	100,000
	<u>326,900</u>	<u>475,656</u>	<u>802,556</u>	<u>577,455</u>
<b>Long Term Liabilities</b>				
Deferred contributions & grants revenue	-	148,185	148,185	860,566
<b>Net Assets</b>				
Unrestricted	3,855,267	-	3,855,267	3,709,856
Temporarily restricted	-	5,893	5,893	7,555
	<u>3,855,267</u>	<u>5,893</u>	<u>3,861,160</u>	<u>3,717,411</u>
<b>Total liabilities and net assets</b>	<u><b>\$ 4,182,167</b></u>	<u><b>\$ 629,734</b></u>	<u><b>\$ 4,811,901</b></u>	<u><b>\$ 5,155,432</b></u>

# Our House of Portland (A not-for-profit organization)

## Statements of Activities

March 31, 2015, with comparative totals for 2014

*(See Accompanying Notes and Accountant's Audit Report)*

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
<b>Operating Revenues</b>				
Our House net resident service revenue	\$ 1,301,076		\$ 1,301,076	\$ 1,008,878
Neighborhood Housing & Care Program	438,451		438,451	287,447
Other revenue	11,334		11,334	16,298
	<u>1,750,861</u>	<u>-</u>	<u>1,750,861</u>	<u>1,312,623</u>
<b>Operating Expenses</b>				
Our House resident care	1,556,993		1,556,993	1,499,460
Neighborhood Housing & Care expenses	563,024		563,024	366,665
Community services	184,134		184,134	169,924
Administrative	397,734		397,734	337,888
	<u>2,701,885</u>	<u>-</u>	<u>2,701,885</u>	<u>2,373,937</u>
<b>Deficit from operations</b>	(951,024)	-	(951,024)	(1,061,314)
<b>Nonoperating Income and (Expenses)</b>				
Contributions, grants & events	1,493,481	20	1,493,501	1,615,796
Fundraising expenses	(454,990)		(454,990)	(577,637)
Net assets released from restriction	1,682	(1,682)	-	-
Loss on disposal of assets	(3,392)		(3,392)	(364)
Investment income	59,654		59,654	54,974
	<u>1,096,435</u>	<u>(1,662)</u>	<u>1,094,773</u>	<u>1,092,769</u>
<b>Change in net assets</b>	<b>145,411</b>	<b>(1,662)</b>	<b>143,749</b>	<b>31,455</b>
<b>Net Assets, Beginning</b>	<b>3,709,856</b>	<b>7,555</b>	<b>3,717,411</b>	<b>3,685,956</b>
<b>Net Assets, Ending</b>	<b>\$ 3,855,267</b>	<b>\$ 5,893</b>	<b>\$ 3,861,160</b>	<b>\$ 3,717,411</b>

# Our House of Portland (A not-for-profit organization)

Statements of Functional Expenses

March 31, 2015, with comparative totals for 2014

*(See Accompanying Notes and Accountant's Audit Report)*

	Program Services			Supporting Services		2015	2014
	Our House Resident Care	Neighborhood Housing & Care	Community Services	Admini- strative	Fund- raising	Total	Total
Compensation, taxes and benefits							
Nursing and related services	\$ 691,833	\$ 110,820				\$ 802,653	\$ 736,903
Social worker & Occup. Therapy	146,090	208,307				354,397	291,700
Housekeeping	34,310					34,310	28,923
Kitchen manager	35,303					35,303	33,072
Volunteer program	78,880					78,880	74,228
Executive Director	68,849			11,475	34,425	114,749	89,525
Administrative		52,484	33	185,256		237,773	198,257
Community Service			37,823			37,823	32,510
Development					153,204	153,204	147,283
Temporary nursing	4,847					4,847	1,668
Payroll taxes & workers comp	102,243	35,834	3,745	19,343	16,580	177,745	170,161
Employee benefits, training & recog.	136,617	48,354	6,832	25,846	22,154	239,803	187,426
Advertising for staff	539	362				901	552
Total compensation, taxes, and benefits	1,299,511	456,161	48,433	241,920	226,363	2,272,388	1,992,208
Payroll fees				6,403		6,403	6,448
Audit and accounting fees		1,500	800	11,000		13,300	12,900
Bad debts				13,179		13,179	1,340
Business consultants			11,775	49,275		61,050	28,825
Clinical consultants	350	688				1,038	1,063
Communications	17,390	5,177	1,689	4,348		28,604	25,092
Credit card fees					4,579	4,579	3,866
Depreciation	83,585	3,736	195	20,896		108,412	100,891
Direct mail, marketing, donor cultivation	3,848	87			16,266	20,201	19,133
Dues and subscriptions			100	2,493		2,593	2,168
Event expenses					172,150	172,150	311,922
Groceries	24,472		36,726			61,198	56,989
Insurance	13,017	2,998	3,057	3,254		22,326	21,649
Leases			69,432	4,431		73,863	73,956
Maintenance	25,174		360	6,294		31,828	35,724
Medical supplies	17,973	105				18,078	27,095
Other expenses		10,756	2,253	4,901	6,800	28,102	19,364
Postage				127	396	523	933
Program expenses	206	16,846	7,919			24,971	34,340
Publications and cable tv	5,560					5,560	5,217
Occupational therapy & Quality of living	8,133	4,593				12,726	9,212
Rental assistance		58,686				58,686	51,320
Security system	3,327			832		4,159	1,366
Storage unit rental				3,552		3,552	3,462
Supplies	11,888	1,691	1,145	10,730	6,236	31,690	25,018
Utilities	40,460			10,115		50,575	47,893
Volunteer program	2,099		250			2,349	3,100
Grant-writing					22,200	22,200	21,600
Interest				3,984		3,984	7,480
	257,482	106,863	135,701	155,814	228,627	887,879	959,366
<b>Total operating expenses</b>	<b>\$ 1,556,993</b>	<b>\$ 563,024</b>	<b>\$ 184,134</b>	<b>\$ 397,734</b>	<b>\$ 454,990</b>	<b>\$ 3,160,267</b>	<b>\$ 2,951,574</b>

# Our House of Portland (A not-for-profit organization)

## Statements of Cash Flows

March 31, 2015, with comparative totals for 2014

*(See Accompanying Notes and Accountant's Audit Report)*

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
<b>Cash Flows Related to Operating Activities</b>				
Change in net assets	\$ 145,411	\$ (1,662)	\$ 143,749	\$ 31,455
Adjustments to reconcile the change in net assets to cash provided (used) by operating activities:				
Depreciation	108,412		108,412	100,891
Loss on disposal of assets	3,392		3,392	364
Receivables	(34,666)		(34,666)	(43,141)
Deferred grants	(875)		(875)	(1,575)
Pledges receivable	(17,093)		(17,093)	(53,057)
Other assets	(7,325)		(7,325)	(1,602)
Accounts payable	(55,551)		(55,551)	42,767
Accrued liabilities and deposits	13,584		13,584	42,206
<b>Net cash provided (used) by operating activities</b>	<b>155,289</b>	<b>(1,662)</b>	<b>153,627</b>	<b>118,308</b>
<b>Cash Flows Related to Investing Activities</b>				
Purchase/reinvestment of investments	(60,164)	-	(60,164)	(55,223)
Purchase of equipment	(111,772)		(111,772)	(47,488)
<b>Net cash (used) by investing activities</b>	<b>(171,936)</b>	<b>-</b>	<b>(171,936)</b>	<b>(102,711)</b>
<b>Cash Flows Related to Financing Activities</b>				
Proceeds from line of credit borrowings	200,000		200,000	305,000
Payments on line of credit	(200,000)		(200,000)	(280,000)
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,000</b>
<b>Change in cash</b>	<b>(16,647)</b>	<b>(1,662)</b>	<b>(18,309)</b>	<b>40,597</b>
<b>Cash, Beginning</b>	<b>73,784</b>	<b>7,555</b>	<b>81,339</b>	<b>40,742</b>
<b>Cash, Ending</b>	<b>\$ 57,137</b>	<b>\$ 5,893</b>	<b>\$ 63,030</b>	<b>\$ 81,339</b>
<b>Noncash Activity</b>				
Donated supplies & services expensed			\$ 110,900	\$ 97,953
Donated value of lease for Community Service Program			\$ 69,432	\$ 69,432
Interest Paid			\$ 3,984	\$ 7,480

# Our House of Portland, *(A not for-profit organization)*

Notes to Financial Statements  
March 31, 2015

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## NOTE - 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of activities

Our House of Portland is a not-for-profit organization founded in 1988 in Portland, Oregon that provides healthcare, housing, and other vital services to low-income people living with HIV/AIDS. The majority of the revenue is derived from contributions, grants, and payments for community based care.

A description of Our House of Portland's programs are as follows:

#### Our House

Our House provides 24 hour specialized nursing care and services in a residential care facility for those with advanced HIV/AIDS who require intensive care. In addition to HIV/AIDS and related physical health issues, most residents also suffer from mental illness, substance abuse and chronic homelessness. In the past year a total of 23 residents and their families were served. Seven individuals had improved health which enabled them to move out of our house and live independently.

Residents of our house are encouraged to attend activities provided by our staff and community volunteers. These opportunities include swimming, bowling, bingo, creative writing, gardening, crafts and more. We also have frequent outings to parks, museums, movies, the coast, as well as special community events.

Our therapeutic garden continues to thrive with residents participating every Thursday afternoon to plant, cultivate and harvest fruits and vegetables that are then prepared and served to them by our kitchen volunteers. All residents including those with visual and other physical impairments are encouraged to participate. We make special provisions for them to be involved in a meaningful way. Gardening is a great way to build community among our residents and a source of pride and accomplishment for those that are involved.

The work at Our House continually evolves, depending on the nature of the ever changing HIV virus and the complexity of our residents. Much of our recent work is centered around addressing complex co-morbidities, as well as difficult behavioral and cognitive issues. Our continuing educational programs for staff and volunteers are centered around current issues of behavior, nutrition, diversity and other important topics.

Collaborations among other HIV providers and organizations have been critical in addressing the resident and client needs. Agreements with funding providers have provided us with the opportunity to strengthen our infrastructure, develop education and training materials and serve more clients. We have been successful in obtaining a \$350,000 grant through the state innovation fund for the past legislative session.

Our memberships in various commissions, committees and boards help us to connect with other agencies as well as city/county/state administrators to gain a better understanding of poverty, housing, homelessness, disabilities, equity and other key issues.



# Our House of Portland, (A not for-profit organization)

Notes to Financial Statements  
March 31, 2015

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

Our House has been named by Oregon business magazine as one of the 100 best nonprofits to work for in Oregon. Results of a staff survey placed our house in the top 100 in 2009, 2010, 2011, 2012 and we ranked #1 (large nonprofit) in 2013 and #5 in 2014. A survey of the top workplaces in Oregon conducted by the Oregonian ranked our house #2 (small companies) in 2013 and 2014. Our house was the recipient of the Alfred P. Sloan award for workplace flexibility in 2011 and 2012.

### Neighborhood Housing & Care Program (NHCP)

The award-winning Neighborhood Housing & Care Program (NHCP) provides assistance with housing as well as supportive services to low income people living with HIV/AIDS who wish to live independently. The multi-disciplinary, professionally licensed care team provides assistance with nursing services, social services and occupational therapy. The NHCP staff is knowledgeable about issues affecting people living with HIV, community resources & navigating health care systems. Our team works with Cascade Aids Project to provide assistance with securing and maintaining permanent housing. Our team provides health assessments, education and medication management, coordination and assistance to perform self and household care, coordination of housing support, counseling and social support, home safety, and opportunities for engagement and connection in the community. A strong connection to community resources helps clients meet material, emotional, health, vocational and leisure needs. We also provide caregiver education, training, consultation and practice of life and coping skills. This year, a total of 38 clients were served.

### Community Services

The community services program consists of **Tod's Corner** and **Esther's Pantry** which provide vital services to low income individuals in our community living with HIV/AIDS. Clients accessing services to Esther's Pantry may visit each month to receive supplemental food and personal care items. Esther's Pantry was established in 1985 and serves over 200 clients each month. Clients who visit Tod's Corner may receive household items, adaptive equipment, clothing, and companion pet supplies. Other services are also provided upon request; this may include companion pet care, personal identification cards, emergency travel expenses, cremations and more. Clients of Esther's Pantry and Tod's Corner must receive a referral from a care provider to access services. This year, 671 individuals were served.

# Our House of Portland, *(A not for-profit organization)*

Notes to Financial Statements  
March 31, 2015

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

### Financial Statement Presentation and Summarized Comparative Financial Information

Our House is required to report information regarding its financial position and activities in three classes of net assets: 1) unrestricted net assets, 2) temporarily restricted net assets, and 3) permanently restricted net assets. Our House has no permanently restricted net assets. Temporarily restricted net assets are limited by donor-imposed stipulations that either expire by passage of time or for a specific purpose. When the restriction expires or is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets in the statement of activity as net assets released from restrictions.

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 Our House's financial statements for the year ended March 31, 2014, from which the summarized information was derived.

### Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### Cash and Cash Equivalents

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

### Income Taxes

Our House 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, Our House 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

Our House 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 not for-profit organization)*

Notes to Financial Statements  
March 31, 2015

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## 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. Our House generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist Our House with specific assistance programs, fundraising, and various committee assignments that are not recorded in the financial statements. Our House receives approximately 19,000 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 \$432,600.

### 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.

### 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 receivables and pledges over 90 days old with no current payment plan. Receivables are charged off as uncollectible after management has made reasonable collection efforts. An allowance for doubtful accounts has not been recorded in the financial statements as management estimates that the receivables are collectable and the un-collectable amount is immaterial.

### 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.

### 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.

# Our House of Portland, (A not for-profit organization)

Notes to Financial Statements  
March 31, 2015

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

### 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 - 2 DEFERRED REVENUE

The U.S. Department of Housing and Urban Development (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, 2015:

Deferred Grant Revenue	\$ 166,382
HUD Renewal Grant	503,841
Total Deferred Revenue	<u>\$ 670,223</u>
Current	\$ 522,038
Long-Term	\$ 148,185

## 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	\$ 129,317
One to five years	-
	<u>\$ 129,317</u>

# Our House of Portland, (A not for-profit organization)

Notes to Financial Statements  
March 31, 2015

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## 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, 2015;

Equities	\$ 458,182
Fixed Income	489,277
Money market instruments	129,958
	<u>\$ 1,077,417</u>

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

Realized/Unrealized investment losses	\$ 33,285
Interest and dividends	36,664
Investment fees	(10,295)
<b>Net Investment Income</b>	<u>\$ 59,654</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, 2015

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## NOTE - 5 PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2015, consisted of the following:

Automobiles	\$ 79,409
Furniture and fixtures	122,052
Equipment	193,490
Building and improvements	2,994,104
Land	257,346
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	3,646,400
Accumulated depreciation	(947,366)
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	<u>\$ 2,699,035</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 9, 2015. The loan is collateralized by personal property, equipment, inventory and receivables. The interest rate is equal to the Wall Street Journal Prime Rate which was 3.25% at March 31, 2015. Minimum payments are due monthly for accrued interest. There was \$200,000 borrowed and \$200,000 repaid during the year. As of March 31, 2015 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, 2015, were available for the following purposes:

Quilt projects	\$ 5,180
Garden project	713
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	<u>\$ 5,893</u>

# Our House of Portland, (A not for-profit organization)

Notes to Financial Statements  
March 31, 2015

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## 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, 2015, was as follows:

	Receivable Amount	Trade & Pledges Receivables	Net Resident Service Revenue
State of Oregon	\$ 72,456	27%	86%
Other individuals and grants	197,460	73%	14%
	<u>\$ 269,916</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 per institution. Cash at these institutions may exceed federally insured limits periodically through the year.

### Source of Revenue

Two donor/grantors each exceeded 10% of total revenue and combined accounted for 44% of total revenues for the year ended March 31, 2015.

## NOTE - 9 SERVICE OPERATING REVENUES

### 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, 2016. 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 \$2,583,504 for the period July 1, 2014 – June 30, 2016. Net resident service revenue for the year ending March 31, 2015, includes \$1,106,414 of state funding.

# Our House of Portland, *(A not for-profit organization)*

Notes to Financial Statements  
March 31, 2015

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## NOTE - 9 SERVICE OPERATING REVENUES *(continued)*

### NHCP DHS State of Oregon Grant

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 \$210,077 was earned for this grant during the fiscal year. \$303,618 has been spent through March 31, 2015 with \$46,382 remaining on the grant.

### CareOregon

Care Oregon and Our House 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. Subsequent to the end of the fiscal year, CareOregon agreed to include all Medicaid clients that are served in addition to the COA Plus members in the payment agreement. The provider agreement was effective December 1, 2013 and renews annually for successive periods unless terminated. Care Oregon pays \$1,000 per month for each CareOregon Advantage Plus member enrolled in the program for a full month. A total of \$96,860 was earned for this agreement during the fiscal year with \$60,021 to Our House and \$36,839 to NHCP.

### FamilyCare

FamilyCare is a Medicare services and compensation provider agreement. FamilyCare and Our House 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 and Coordinated Care Our House Contract with the Oregon Health Authority. The agreement was effective February 1, 2014 and renews annually for successive periods unless terminated. FamilyCare pays \$1,000 per month for each FamilyCare member enrolled in the program for a full month. A total of \$17,167 was earned for this agreement during the fiscal year with \$5,167 to Our House and \$12,000 to NHCP.



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Notes to Financial Statements  
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## **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. The grant provides client access to care and support including housing assistance, housing placement, and case management to low-income individuals. A total of \$354,361 was earned for the renewal grant during the fiscal year. A total of \$547,000 has been spent through March 31, 2015 and \$503,841 is remaining on the grant.

## **NOTE - 11      EMPLOYEE BENEFIT PLAN**

Our House has a 403(b) tax sheltered plan which covers essentially all employees who regularly work over 20 hours a week. Contributions to the plan are discretionary. As of July 28, 2014, Our House began making employer contributions matching 100% of employee contributions up to 3% of salary. Vesting for employer contributions begins after one full year of service; employee contributions are always 100% vested. For the fiscal year ended March 31, 2015 employer contributions totaled \$24,786.

## **NOTE - 12      MANAGEMENT REVIEW AND EVALUATION OF SUBSEQUENT EVENTS**

Subsequent events have been evaluated through July 8, 2015, 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.