



“Inspiring people with
HIV to live well”

(A not-for-profit organization)

Our House of Portland
Annual Financial Statements
Year ended March 31, 2019
With summarized financial information as of March 31, 2018

Prepared By:

Lauka McGuire, PC | CERTIFIED PUBLIC ACCOUNTANTS

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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 statement of financial position as of March 31, 2019, 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, 2019, 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, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 13, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Portland, Oregon
January 18, 2020

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

Statement of Financial Position

March 31, 2019, with comparative totals for 2018

(See Accompanying Notes and Accountant's Audit Report)

	2019			2018
	Without Donor Restriction	With Donor Restriction	Total	(comparative only) Total
Current Assets				
Cash	\$ 82,748	\$ 25,795	\$ 108,543	\$ 101,900
Operating reserves	1,166,521	-	1,166,521	1,107,098
Receivables, net	198,536	-	198,536	132,842
Pledges receivable, net	36,707	-	36,707	77,530
Contributions & grants receivable	132,457	-	132,457	144,950
Other current assets and prepaids	49,574	-	49,574	67,535
	<u>1,666,543</u>	<u>25,795</u>	<u>1,692,338</u>	<u>1,631,855</u>
Property and Equipment				
Net of accumulated depreciation	2,346,317	-	2,346,317	2,417,841
Other Assets				
Contributions & grants receivable	-	-	-	325,123
	<u>\$ 4,012,860</u>	<u>\$ 25,795</u>	<u>\$ 4,038,655</u>	<u>\$ 4,374,819</u>
Current Liabilities				
Accounts payable	\$ 46,150	\$ -	\$ 46,150	\$ 26,413
Accrued payroll and payroll liabilities	158,916	-	158,916	141,516
Deferred revenue	144,957	-	144,957	147,650
	<u>350,023</u>	<u>-</u>	<u>350,023</u>	<u>315,579</u>
Long Term Liabilities				
Deferred revenue	-	-	-	325,123
Net Assets				
Without donor restriction	3,662,837	-	3,662,837	3,724,117
With donor restriction	-	25,795	25,795	10,000
	<u>3,662,837</u>	<u>25,795</u>	<u>3,688,632</u>	<u>3,734,117</u>
Total liabilities and net assets	<u>\$ 4,012,860</u>	<u>\$ 25,795</u>	<u>\$ 4,038,655</u>	<u>\$ 4,374,819</u>

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

Statement of Activities

March 31, 2019, with comparative totals for 2018

(See Accompanying Notes and Accountant's Audit Report)

	2019			2018
	Without Donor Restriction	With Donor Restriction	Total	(comparative only) Total
Operating Revenues				
Our House net resident service revenue	\$ 1,557,729		\$ 1,557,729	\$ 1,488,095
Neighborhood Housing & Care Program	466,981		466,981	359,165
Other revenue	10,073		10,073	22,896
	<u>2,034,783</u>	<u>-</u>	<u>2,034,783</u>	<u>1,870,156</u>
Operating Expenses				
Our House resident care	1,813,706		1,813,706	1,793,211
Neighborhood Housing & Care expenses	543,671		543,671	646,007
Community services	414,861		414,861	304,118
Administrative	144,890		144,890	148,674
	<u>2,917,128</u>	<u>-</u>	<u>2,917,128</u>	<u>2,892,010</u>
Deficit from operations	(882,345)	-	(882,345)	(1,021,854)
Nonoperating Income and (Expenses)				
Contributions, grants & events	1,277,488	25,795	1,303,283	1,279,921
Fundraising expenses	(503,059)		(503,059)	(558,785)
Net assets released from restriction	10,000	(10,000)	-	-
Loss on disposal of assets	300		300	-
Investment income, net of fees	36,336		36,336	73,279
	<u>821,065</u>	<u>15,795</u>	<u>836,860</u>	<u>794,415</u>
Change in net assets	(61,280)	15,795	(45,485)	(227,439)
Net Assets, Beginning	3,724,117	10,000	3,734,117	3,961,556
Net Assets, Ending	\$ 3,662,837	\$ 25,795	\$ 3,688,632	\$ 3,734,117

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

Statements of Functional Expenses

March 31, 2019, with comparative totals for 2018

(See Accompanying Notes and Accountant's Audit Report)

	Program Services			Supporting Services		2019	2018
	Our House Resident Care	Neighborhood Housing & Care	Community Services	Admini- strative	Fund- raising	Total	Total
Compensation, taxes and benefits							
Nursing and related services	\$ 802,723	\$ 86,250	\$ -	\$ -	\$ -	\$ 888,973	\$ 883,151
Social worker & Occup. Therapy	145,263	193,093				338,356	399,485
Housekeeping	37,422	796		796	796	39,810	38,446
Kitchen manager	50,946	1,061		2,654	1,061	55,722	44,546
Volunteer program	23,947	2,128	23,945	1,596	1,596	53,212	75,839
Executive Director	14,968	4,989	2,495	52,386	49,892	124,730	123,993
Administrative	68,554	27,003	5,849	52,668	11,699	165,773	255,453
Community Service	2,172		58,371	1,187		61,730	64,051
Development	8,872	8,872	8,872		121,996	148,612	137,506
Temporary nursing	14,538	1,503				16,041	7,293
Payroll taxes & workers comp	104,902	30,385	5,790	7,391	14,125	162,593	172,961
Employee benefits, training & recog.	155,652	43,236	12,159	12,523	10,112	233,682	243,421
Advertising for staff	734	154				888	954
Total compensation, taxes, and benefits	1,430,693	399,470	117,481	131,201	211,277	2,290,122	2,447,099
Payroll fees	9,022	2,063	516	516	774	12,891	8,818
Audit and accounting fees	7,448	2,135	472	420	3,225	13,700	13,700
Bad debts	116				480	596	5,854
Business consultants	37,858	7,361	2,103	2,103	3,155	52,580	29,210
Communications	21,225	4,585	721	1,047	1,299	28,877	30,178
Credit card fees					15,125	15,125	1,580
Depreciation	111,066	5,859	1,067	30	869	118,891	115,776
Direct mail, marketing, donor cultivation	-				38,310	38,310	23,112
Dues and subscriptions	1,259		190	1,785	119	3,353	2,395
Event expenses					190,773	190,773	216,411
Groceries	33,571		124,752			158,323	77,606
Insurance	12,889	3,695	817	727	5,581	23,709	23,885
Leases	5,361	1,043	69,730	298	447	76,879	75,653
Maintenance and repairs	29,658	7,415	-	781	1,171	39,025	34,827
Medical supplies	32,566	471				33,037	29,730
Other expenses	3,202	6,120	7,290	3,905	47	20,564	28,381
Postage	-			228	1,147	1,375	103
Program expenses	196	14,747	88,584			103,527	94,388
Publications and cable tv	7,456					7,456	6,441
Occupational therapy & Quality of living	8,106	4,128				12,234	13,388
Rental assistance		69,553				69,553	66,776
Security system	1,919	480		51	76	2,526	2,662
Storage unit rental	4,463	1,116		117	176	5,872	4,200
Supplies	14,699	3,675	-	387	2,160	20,921	17,290
Utilities	33,803	8,451		890	1,334	44,478	46,497
Volunteer program	786	70	786	52	52	1,746	2,234
Grant-writing					24,933	24,933	24,000
Interest	6,344	1,234	352	352	529	8,812	2,422
	383,013	144,201	297,380	13,689	291,782	1,130,066	997,517
Total operating expenses	\$ 1,813,706	\$ 543,671	\$ 414,861	\$ 144,890	\$ 503,059	\$ 3,420,188	\$ 3,444,616

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

Statement of Cash Flows

March 31, 2019, with comparative totals for 2018

(See Accompanying Notes and Accountant's Audit Report)

	2019			2018
	Without Donor Restriction	With Donor Restriction	Total	(comparative only) Total
Cash Flows Related to Operating Activities				
Change in net assets	\$ (61,280)	\$ 15,795	\$ (45,485)	\$ (227,439)
Adjustments to reconcile the change in net assets to cash provided (used) by operating activities:				
Depreciation	118,891		118,891	115,776
Loss on disposal of assets	(300)		(300)	-
Receivables	(65,694)		(65,694)	36,262
Deferred grants	9,800		9,800	(7,300)
Pledges receivable	40,823		40,823	(22,404)
Other assets	17,961		17,961	(15,443)
Accounts payable	19,737		19,737	(5,167)
Accrued liabilities and deposits	17,400		17,400	183
Net cash provided (used) by operating activities	97,338	15,795	113,133	(125,532)
Cash Flows Related to Investing Activities				
(Purchase)/reinvestment of investments	(63,169)	-	(63,169)	21,360
Purchase of equipment	(43,621)		(43,621)	(17,311)
Proceeds from sale of equipment	300		300	-
Net cash (used) by investing activities	(106,490)	-	(106,490)	4,049
Cash Flows Related to Financing Activities				
Proceeds from line of credit borrowings	305,000		305,000	205,000
Payments on line of credit	(305,000)		(305,000)	(205,000)
Net cash (used) by financing activities	-	-	-	-
Change in cash	(9,152)	15,795	6,643	(121,483)
Cash, Beginning	91,900	10,000	101,900	223,383
Cash, Ending	\$ 82,748	\$ 25,795	\$ 108,543	\$ 101,900
Noncash Activity				
Donated supplies & services expensed			\$ 209,015	\$ 127,496
Donated value of lease for Community Service Program			\$ 69,432	\$ 69,432
Interest Paid			\$ 8,812	\$ 2,422

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. The majority of the revenue is derived from contributions, grants, and payments for community-based care.

Our House programs and services serve more than 650 unique clients annually with patient encounters spanning multiple disciplines including residential care, neighborhood housing and care, occupational therapy, and food and necessities through a client-centered free thrift store with more than 4,000 visits annually.

Collaborations among other HIV providers and organizations have been critical in addressing the resident and client needs. Agreements with funding providers have provided Our House with the opportunity to strengthen the infrastructure, develop education and training materials and serve more clients.

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.

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 who require intensive care. In addition to HIV and related physical health issues, many residents also suffer from mental illness, substance abuse and/or histories of homelessness. In the past year a total of 16 residents and their families were served.

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.

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

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.

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 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 41 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. 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, 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, 782 individuals were served.

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 two classes of net assets: 1) net assets with donor restrictions, and 2) net assets without donor restrictions. Our House had \$25,795 cash with donor restrictions for the year ended March 31, 2019. Net assets with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions 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, 2018, 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. When available, costs are charged directly to the program they benefit. Expenses that relate to more than one program or supporting activity are allocated based on the time spent by the person on that activity. Certain overhead costs are allocated based on square footage occupied in the building.

Program expenses for Our House and NHCP programs report goods and services distributed to fulfill the purpose of the organization. Administrative expenses include the costs of business management, record keeping, budgeting, finance, and other management and administrative activities. Fundraising expenses report the costs of fund-raising and events and activities.

The following chart reports the historical percentages of expenses by activity to the total expenses on the financial statements.

	Our House	NHCP	Community Svc	Administrative	Fundraising
2019	53.06%	15.89%	12.12%	4.23%	14.70%
2018	51.97%	18.72%	8.81%	4.31%	16.19%
2017	51.78%	19.00%	8.91%	5.25%	15.06%

Cash and Cash Equivalents

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

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

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 2015.

In-kind Donations and Expenses

Our House receives donations of supplies, clothing, medical supplies, printing and other costs that Our House would otherwise purchase. The value of these products is recorded as in-kind contribution revenue at fair value 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.

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 15,050 volunteer hours per year. Most of these hours are required for daily operations and include services for the kitchen, medical director, receptionists, and support staff. Management estimates the value of the operational services is about \$371,350.

Contributions and Pledges

Contributions and pledges are recognized as income 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 net assets without donor restriction if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Restricted contributions received and spent in the current year are recorded as income without donor restriction.

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 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 activity without donor restriction.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Acquisitions of property and equipment in excess of \$1000 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, 2019

NOTE - 2 DEFERRED REVENUE

The U.S. Department of Housing and Urban Development (HUD) grant and the DHS State of Oregon grant are considered exchange transactions and accordingly are not recorded as income in the financial statements until services are performed and costs incurred. Multi-year grants are recorded as receivables when granted, but the income is deferred until earned. Special events that represent an exchange transaction are reported as deferred revenue. Deferred revenue consisted of the following activity for the year ended March 31, 2019:

	Total	Current	Long-term
Special events/Foundation grants	\$ 12,500	\$ 12,500	\$ -
HUD renewal grant	132,456	132,456	-
Total deferred revenue	<u>\$ 144,956</u>	<u>\$ 144,956</u>	<u>\$ -</u>

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. All pledges are considered due within one year or less. Pledges consist of auction pledges and individual monthly contributors and grants.

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.

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

Notes to Financial Statements
March 31, 2019

NOTE - 4 OPERATING RESERVES AND FAIR VALUE (continued)

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, 2019;

Equities	\$ 634,309
Fixed Income	532,212
	<u>\$ 1,166,521</u>

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

Realized/Unrealized investment gains	\$ 11,739
Interest and dividends	36,002
Investment fees	(11,405)
Net Investment Income	<u>\$ 36,336</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.

NOTE - 5 PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2019, consisted of the following:

Automobiles	\$ 59,760
Furniture and fixtures	125,689
Equipment	221,888
Building and improvements	3,003,699
Land	257,346
	<u>3,668,382</u>
Accumulated depreciation	(1,322,065)
	<u>\$ 2,346,317</u>

The building is subject to certain restrictions. See note 9.

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

Notes to Financial Statements
March 31, 2019

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 8, 2019. 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 5.5% at March 31, 2019. Minimum payments are due monthly for accrued interest. As of March 31, 2019 there was no balance due on the line.

NOTE - 7 DONOR RESTRICTED NET ASSETS

Donor restricted net assets at March 31, 2019, were available for the following purposes:

Consultant for NHCP program	\$ 10,795
Consultant for Diversity, Equity and Inclusion	15,000
Total assets with donor restrictions	<u>\$ 25,795</u>

Assets released from donor restrictions during the fiscal year were used for the following purposes:

Nurse Call System	\$ 10,000
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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 payer agreements or meet the Medicaid eligibility criteria. The composition of trade and pledges receivables and net resident service revenue at March 31, 2019, was as follows:

	Receivable Amount	Trade & Pledges Receivables	Net Resident Service Revenue
State of Oregon	\$100,836	49%	89%
Other individuals and grants	134,407	51%	11%
	<u>\$ 235,243</u>	<u>100%</u>	<u>100%</u>

Cash

Our House maintains one bank account. This account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Cash held in this account may exceed federally insured limits periodically through the year.

NOTE - 8 CONCENTRATIONS *(continued)*

Source of Revenue

Two donor/grantors each exceeded 10% of total revenue and combined accounted for 54% of total revenues for the year ended March 31, 2019.

NOTE - 9 SIGNIFICANT GRANTS and COMMITMENTS

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, 2020. 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 \$2,648,016 for the period July 1, 2018 – June 30, 2020. Net resident service revenue for the year ending March 31, 2019, includes \$1,269,827 of state funding.

CareOregon

CareOregon and Our House have agreed to work together to develop a pilot program for enrollment of COA Plus members and Medicaid clients in the Our House and NHCP program and establish a specific plan for ongoing evaluation. The provider agreement was effective December 1, 2013 and renews annually for successive periods unless terminated. CareOregon pays \$1,000 per month for each CareOregon Advantage Plus member enrolled in the program for a full month. A total of \$191,690 was earned for this agreement during the fiscal year with \$72,360 to Our House and \$119,330 to NHCP.

Kaiser

This Agreement for Coordination of Care was entered into between Kaiser Foundation Hospitals, for the Northwest Region ("KFH") and Our House of Portland, Inc. This Agreement is effective for Services rendered on and after January 1, 2018. KFH has been retained by Kaiser Foundation Health Plan of the Northwest ("KFHP-NW") to provide or arrange for institutional health care services to Members, and Northwest Permanente, P.C. ("NWP") has been retained by KFHP-NW to provide or arrange for professional services to Members, and together, KFH, NWP and KFHP-NW cooperate to form the Kaiser Permanente Medical Care Program in the Northwest Region. Our House of Portland assists Members' seeking HIV-related care, including direction of ongoing care and complex care to KP as well as case management. Compensation for Services for each Member treated by Our House of Portland is a single fixed case rate of \$2,000 per month of enrollment and participation in Our House's Case Management program(s). A total of \$188,900 was earned for this agreement during the fiscal year with \$87,740 to Our House and \$ 101,160 to NHCP.

NOTE - 9 SIGNIFICANT GRANTS and COMMITMENTS (continued)

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 \$1,016,409 for the period 9/1/2019 – 8/31/2022. The grant provides client access to care and support including housing assistance, housing placement, and case management to low-income individuals. A total of \$337,138 was earned for the fiscal year ended March 31, 2019; \$679,271 is remaining to be earned over the remaining term of the new grant.

HUD revenue is reported in the Statement of Activities as follows:

Operating revenues	\$172,443
Nonoperating grant income	\$164,695

NOTE - 10 EMPLOYEE BENEFIT PLAN

Our House has a 401(k) plan effective as of January 1, 2018. All employees are eligible to participate in the plan. Employer contributions are discretionary. For the fiscal year ended March 31, 2019 no employer contributions were made.

NOTE - 11 LIQUIDITY AND OPERATING RESERVES

Our House has a policy to manage its liquidity and reserves in order to meet its needs to fund operating expenditures. At March 31, 2019, financial assets available for general expenditure, that is, without donor or other board restrictions limiting their use within one year from the statement of financial position date, include cash of \$108,543 and receivables of \$367,699 as of March 31, 2019 in the amounts of \$476,242.

NOTE - 12 MANAGEMENT REVIEW and EVALUATION OF SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 18, 2020, 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.