



“Inspiring people with  
HIV to live well”

*(A not-for-profit organization)*

Our House of Portland  
Annual Financial Statements  
Year ended March 31, 2018  
*With summarized financial information as of March 31, 2017*

*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, 2018, 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, 2018, 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, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 11, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Portland, Oregon  
August 13, 2018

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

Statement of Financial Position  
 March 31, 2018, with comparative totals for 2017

(See Accompanying Notes and Accountant's Audit Report)

	2018			2017
	Unrestricted	Temporarily Restricted	Total	Total
<b>Current Assets</b>				
Cash	\$ 91,900	\$ 10,000	\$ 101,900	\$ 223,383
Operating reserves	1,107,098	-	1,107,098	1,128,458
Receivables, net	132,842	-	132,842	169,104
Pledges receivable, net	77,530	-	77,530	55,126
Contributions & grants receivable	144,950	-	144,950	398,753
Other current assets and prepaids	67,535	-	67,535	52,092
	<u>1,621,855</u>	<u>10,000</u>	<u>1,631,855</u>	<u>2,026,916</u>
<b>Property and Equipment</b>				
Net of accumulated depreciation	2,417,841	-	2,417,841	2,516,306
<b>Other Assets</b>				
Contributions & grants receivable	-	325,123	325,123	479,244
	<u>-</u>	<u>325,123</u>	<u>325,123</u>	<u>479,244</u>
<b>Total assets</b>	<b><u>\$ 4,039,696</u></b>	<b><u>\$ 335,123</u></b>	<b><u>\$ 4,374,819</u></b>	<b><u>\$ 5,022,466</u></b>
<b>Current Liabilities</b>				
Accounts payable	\$ 26,413	\$ -	\$ 26,413	\$ 31,580
Accrued payroll and payroll liabilities	141,516	-	141,516	141,333
Deferred revenue	147,650	-	147,650	408,753
	<u>315,579</u>	<u>-</u>	<u>315,579</u>	<u>581,666</u>
<b>Long Term Liabilities</b>				
Deferred revenue	-	325,123	325,123	479,244
<b>Net Assets</b>				
Unrestricted	3,724,117	-	3,724,117	3,961,254
Temporarily restricted	-	10,000	10,000	302
	<u>3,724,117</u>	<u>10,000</u>	<u>3,734,117</u>	<u>3,961,556</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 4,039,696</u></b>	<b><u>\$ 335,123</u></b>	<b><u>\$ 4,374,819</u></b>	<b><u>\$ 5,022,466</u></b>

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

## Statement of Activities

March 31, 2018, with comparative totals for 2017

(See Accompanying Notes and Accountant's Audit Report)

	2018			2017
	Unrestricted	Temporarily Restricted	Total	Total
<b>Operating Revenues</b>				
Our House net resident service revenue	\$ 1,488,095		\$ 1,488,095	\$ 1,442,682
Neighborhood Housing & Care Program	359,165		359,165	443,732
Other revenue	22,896		22,896	16,638
	<u>1,870,156</u>	<u>-</u>	<u>1,870,156</u>	<u>1,903,052</u>
<b>Operating Expenses</b>				
Our House resident care	1,793,211		1,793,211	1,783,981
Neighborhood Housing & Care expenses	646,007		646,007	654,742
Community services	304,118		304,118	306,795
Administrative	148,674		148,674	180,729
	<u>2,892,010</u>	<u>-</u>	<u>2,892,010</u>	<u>2,926,247</u>
<b>Deficit from operations</b>	(1,021,854)	-	(1,021,854)	(1,023,195)
<b>Nonoperating Income and (Expenses)</b>				
Contributions, grants & events	1,269,921	10,000	1,279,921	1,571,782
Fundraising expenses	(558,785)		(558,785)	(518,931)
Net assets released from restriction	302	(302)	-	-
Loss on disposal of assets	-		-	(526)
Investment income, net of fees	73,279		73,279	74,553
	<u>784,717</u>	<u>9,698</u>	<u>794,415</u>	<u>1,126,878</u>
<b>Change in net assets</b>	<b>(237,137)</b>	<b>9,698</b>	<b>(227,439)</b>	<b>103,683</b>
<b>Net Assets, Beginning</b>	<b>3,961,254</b>	<b>302</b>	<b>3,961,556</b>	<b>3,857,873</b>
<b>Net Assets, Ending</b>	<b>\$ 3,724,117</b>	<b>\$ 10,000</b>	<b>\$ 3,734,117</b>	<b>\$ 3,961,556</b>

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

## Statements of Functional Expenses

March 31, 2018, with comparative totals for 2017

(See Accompanying Notes and Accountant's Audit Report)

	Program Services			Supporting Services		2018	2017
	Neighborhood			Admini- strative	Fund- raising	Total	Total
	Our House Resident Care	Housing & Care	Community Services				
Compensation, taxes and benefits							
Nursing and related services	\$ 779,480	\$ 103,671				\$ 883,151	\$ 894,603
Social worker & Occup. Therapy	168,730	230,755				399,485	399,256
Housekeeping	38,446					38,446	35,909
Kitchen manager	44,546					44,546	40,774
Volunteer program	75,839					75,839	77,485
Executive Director	30,955	30,956		24,935	37,147	123,993	82,202
Administrative	65,282	60,560	9,214	64,868	55,529	255,453	254,657
Community Service			64,051			64,051	60,430
Development					137,506	137,506	120,149
Temporary nursing	7,293					7,293	14,575
Payroll taxes & workers comp	102,481	36,877	5,972	8,778	18,853	172,961	171,451
Employee benefits, training & recog.	155,490	51,030	13,321	5,564	18,016	243,421	294,596
Advertising for staff	583	172			199	954	1,063
<b>Total compensation, taxes, and benefits</b>	<b>1,469,125</b>	<b>514,021</b>	<b>92,558</b>	<b>104,145</b>	<b>267,250</b>	<b>2,447,099</b>	<b>2,447,150</b>
Payroll fees	5,117	1,762	435	705	799	8,818	6,892
Audit and accounting fees	5,400	3,200	1,100	1,000	3,000	13,700	13,700
Bad debts	3,298				2,556	5,854	9,796
Business consultants		5,000		24,210		29,210	25,000
Communications	14,017	8,999	2,687	1,404	3,071	30,178	27,946
Credit card fees					1,580	1,580	4,771
Depreciation	104,963	8,973	1,055	21	764	115,776	121,946
Direct mail, marketing, donor cultivation					22,387	22,387	23,927
Dues and subscriptions	650		140	1,605		2,395	2,821
Event expenses					216,411	216,411	187,582
Groceries	30,694		46,912			77,606	73,450
Insurance	12,575	5,228	3,104	1,864	1,114	23,885	26,137
Leases	4,795	179	69,432	957	290	75,653	76,007
Maintenance and repairs	32,079	963	168	654	963	34,827	56,530
Medical supplies	29,514	216				29,730	32,644
Other expenses	1,607	6,197	8,594	7,086	11,801	35,285	32,111
Postage					103	103	988
Program expenses	132	17,411	76,845			94,388	99,406
Publications and cable tv	6,441					6,441	6,248
Occupational therapy & Quality of living	9,774	3,614				13,388	14,391
Rental assistance		66,776				66,776	56,592
Security system	2,422	96		48	96	2,662	1,260
Storage unit rental	4,200					4,200	3,892
Supplies	12,599	1,475	815	1,623	778	17,290	17,467
Utilities	41,848	1,897		930	1,822	46,497	47,035
Volunteer program	1,961		273			2,234	2,682
Grant-writing					24,000	24,000	24,000
Interest				2,422		2,422	2,807
	<b>324,086</b>	<b>131,986</b>	<b>211,560</b>	<b>44,529</b>	<b>291,535</b>	<b>1,003,696</b>	<b>998,028</b>
<b>Total operating expenses</b>	<b>\$ 1,793,211</b>	<b>\$ 646,007</b>	<b>\$ 304,118</b>	<b>\$ 148,674</b>	<b>\$ 558,785</b>	<b>\$ 3,450,795</b>	<b>\$ 3,445,178</b>

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

## Statement of Cash Flows

March 31, 2018, with comparative totals for 2017

(See Accompanying Notes and Accountant's Audit Report)

	2018			2017
	Unrestricted	Temporarily Restricted	Total	Total
<b>Cash Flows Related to Operating Activities</b>				
Change in net assets	\$ (237,137)	\$ 9,698	\$ (227,439)	\$ 103,683
Adjustments to reconcile the change in net assets to cash provided (used) by operating activities:				
Depreciation	115,776		115,776	121,946
Loss on disposal of assets	-		-	526
Receivables	36,262		36,262	(4,358)
Deferred grants	(7,300)		(7,300)	(1,000)
Pledges receivable	(22,404)		(22,404)	65,601
Other assets	(15,443)		(15,443)	(6,055)
Accounts payable	(5,167)		(5,167)	709
Accrued liabilities and deposits	183		183	(32,072)
<b>Net cash provided (used) by operating activities</b>	<b>(135,230)</b>	<b>9,698</b>	<b>(125,532)</b>	<b>248,980</b>
<b>Cash Flows Related to Investing Activities</b>				
(Purchase)/reinvestment of investments	21,360	-	21,360	(79,989)
Purchase of equipment	(17,311)		(17,311)	(19,070)
Proceeds from sale of equipment				925
<b>Net cash (used) by investing activities</b>	<b>4,049</b>	<b>-</b>	<b>4,049</b>	<b>(98,134)</b>
<b>Cash Flows Related to Financing Activities</b>				
Proceeds from line of credit borrowings	205,000		205,000	245,000
Payments on line of credit	(205,000)		(205,000)	(245,000)
<b>Net cash (used) by financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in cash</b>	<b>(131,181)</b>	<b>9,698</b>	<b>(121,483)</b>	<b>150,846</b>
<b>Cash, Beginning</b>	<b>223,081</b>	<b>302</b>	<b>223,383</b>	<b>72,537</b>
<b>Cash, Ending</b>	<b>\$ 91,900</b>	<b>\$ 10,000</b>	<b>\$ 101,900</b>	<b>\$ 223,383</b>
<b>Noncash Activity</b>				
Donated supplies & services expensed			\$ 127,496	\$ 140,455
Donated value of lease for Community Service Program			\$ 69,432	\$ 69,432
Interest Paid			\$ 2,422	\$ 2,807



## 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.

Our House has been named by Oregon Business magazine as one of the 100 best nonprofits to work for in Oregon for eight consecutive years; based on results of a staff survey Our House ranked #4 (large nonprofit) in 2016. A survey of the top workplaces in Oregon conducted by the Oregonian ranked Our House #2 (small companies) in 2016.

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.

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

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.

### **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 35 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, 633 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 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, 2017, 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
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 2013.

### **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 16,000 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 \$306,500.

### **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 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. Restricted contributions received and spent in the current year are recorded as unrestricted income.

**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 unrestricted activity.

**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

## 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, 2018:

	Total	Current	Long-term
Special events/Foundation grants	\$ 2,700	\$ 2,700	\$ -
HUD renewal grant	470,073	144,950	325,123
Total deferred revenue	<u>\$ 472,773</u>	<u>\$ 147,650</u>	<u>\$ 325,123</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, 2018

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## 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, 2018;

Equities	\$ 544,686
Fixed Income	562,412
	<u>\$ 1,107,098</u>

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

Realized/Unrealized investment gains	\$ 57,316
Interest and dividends	27,153
Investment fees	(11,190)
Net Investment Income	<u>\$ 73,279</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, 2018, consisted of the following:

Automobiles	\$ 79,409
Furniture and fixtures	127,106
Equipment	241,770
Building and improvements	3,004,553
Land	257,346
	<u>3,710,184</u>
Accumulated depreciation	(1,292,343)
	<u>\$ 2,417,841</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, 2018

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## 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, 2018. 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 4.75% at March 31, 2018. Minimum payments are due monthly for accrued interest. As of March 31, 2018 there was no balance due on the line.

## NOTE - 7 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at March 31, 2018, were available 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, 2018, was as follows:

	Receivable Amount	Trade & Pledges Receivables	Net Resident Service Revenue
State of Oregon	\$ 105,531	50%	89%
Other individuals and grants	104,841	50%	11%
	<u>\$ 210,372</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.

### Source of Revenue

Two donor/grantors each exceeded 10% of total revenue and combined accounted for 55% of total revenues for the year ended March 31, 2018.



**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, 2018 and was renewed through 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, 2016 – June 30, 2018. Net resident service revenue for the year ending March 31, 2018, includes \$1,264,923 of state funding.

**NHCP DHS State of Oregon Grant**

NHCP received a reimbursement grant through the Department of Human Services (DHS) with the State of Oregon effective July 1, 2015 to June 30, 2017 for up to \$350,000. 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, and provide sustainable funding for the future of NHCP. The remaining total of \$44,728 was earned during the fiscal year and the grant was not renewed.

**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 \$160,800 was earned for this agreement during the fiscal year with \$67,120 to Our House and \$93,680 to NHCP.

**FamilyCare**

FamilyCare is a Medicare services and compensation provider agreement. FamilyCare and Our House agreed to work together to develop a pilot program for enrollment of FamilyCare members into Our House or NHCP. Covered services are 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 are 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 renewed annually for successive periods until it was terminated January 2018. FamilyCare paid \$1,000 per month for each FamilyCare member enrolled in the program for a full month. A total of \$19,226 was earned for this agreement during the fiscal year with \$6,000 to Our House and \$13,226 to NHCP.

**NOTE - 9      SIGNIFICANT GRANTS and COMMITMENTS (continued)**

**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 \$30,395 was earned for this agreement during the fiscal year for the NHCP program.

**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 \$1,016,535 for the period 9/1/2016 – 8/31/2019. The grant provides client access to care and support including housing assistance, housing placement, and case management to low-income individuals. A total of \$341,164 was earned for the fiscal year ended March 31, 2018. \$472,773 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	\$177,136
Nonoperating grant income	\$164,028

**NOTE - 10      EMPLOYEE BENEFIT PLAN**

Our House had 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. Our House can make 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. As of January 1, 2018, the 403(b) plan was terminated and replaced with a 401(k) plan. All employees are eligible to participate in the plan. Employer contributions are discretionary. For the fiscal year ended March 31, 2018 no employer contributions were made.

**NOTE - 11      MANAGEMENT REVIEW and EVALUATION OF SUBSEQUENT EVENTS**

Subsequent events have been evaluated through August 13, 2018, 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.