CENTRAL CITY CONCERN

HOMES HEALTH JOBS

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2015

with

Supplementary Financial Information

and

Independent Auditors' Report

CENTRAL CITY CONCERN AND OTHER ENTITIES

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Independent Auditors' Report

The Board of Directors
Central City Concern and Other Entities

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Central City Concern and Other Entities (collectively, the Organization), which comprise the consolidated statements of financial position as of June 30, 2015, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the consolidated financial statements of certain limited partnerships (with the exception of Miracles Central Apartments Limited Partnership) as described in *Note 7*, which are accounted for by the equity method of accounting. The Organization's investment in the limited partnerships that we did not audit was $2,868,150 as of December 31, 2014 (the date of the most recently available audited consolidated financial statements), and the equity in net loss in these limited partnerships was $174 for the year then ended. The consolidated financial statements of these limited partnerships were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these limited partnerships, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. The consolidated financial statements of the limited partnerships described in *Note 7* were not audited in accordance with *Government Auditing Standards*.

Auditors' Responsibility - Continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization'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 consolidated 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, based on our audit and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Central City Concern and Other Entities as of June 30, 2015, and the changes in their consolidated net assets and their consolidated cash flows for the year then ended in accordance with GAAP.

Report on Supplementary Financial Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary financial information on pages 41 and 42 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Organization's 2014 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated January 21, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2016, on our consideration of Central City Concern and Other Entities' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central City Concern and Other Entities' internal control over financial reporting and compliance.

Hoffman, Stewart & Schmidt, P.C.

Lake Oswego, Oregon
January 29, 2016

CENTRAL CITY CONCERN AND OTHER ENTITIES

Consolidated Statements of Financial Position

June 30, 2015 *(With Comparative Amounts for 2014)*	**2015**	**2014**
ASSETS		
Cash and cash equivalents	$ 12,323,051	$ 8,528,644
Certificates of deposit	2,000,873	-
Accounts receivable - net *(Note 3)*	13,291,223	10,463,116
Prepaid expenses, deposits, and other assets	636,466	371,425
Due from managed properties *(Note 4)*	324,435	287,037
Notes receivable *(Note 5)*	35,867,394	35,141,410
Intangible assets - net *(Note 6)*	1,581,827	1,719,626
Assets limited as to use *(Note 20)*	3,208,258	1,983,041
Investments in limited partnerships *(Note 7)*	2,868,250	2,762,303
Partnership pre-development activity *(Notes 8 and 14)*	3,103,723	26,982
Property and equipment - net *(Notes 9, 12 and 14)*	54,490,573	55,558,427
Total assets	**$ 129,696,073**	**$ 116,842,011**
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and other accrued liabilities	$ 1,759,572	$ 1,087,404
Salaries and employee benefits payable *(Note 20)*	2,869,285	2,423,775
Deferred revenue and deposits	693,306	698,531
Accrued interest *(Note 11)*	1,877,344	1,815,980
Capital lease obligations *(Note 12)*	169,073	176,921
Interest rate swap *(Notes 13 and 22)*	130,425	174,488
Notes payable *(Note 14)*	67,643,228	64,703,378
Total liabilities	**75,142,233**	**71,080,477**
Commitments and contingencies *(Notes 5, 10, 14, 15, 16 and 20)*		
Net assets:		
Unrestricted	29,720,022	21,630,392
Temporarily restricted *(Note 17)*	24,833,818	24,131,142
Total net assets	**54,553,840**	**45,761,534**
Total liabilities and net assets	**$ 129,696,073**	**$ 116,842,011**

The accompanying notes are an integral part of the consolidated financial statements.

CENTRAL CITY CONCERN AND OTHER ENTITIES

Consolidated Statements of Activities and Changes in Net Assets

Year Ended June 30, 2015 *(With Comparative Totals for 2014)*

	Unrestricted	Temporarily Restricted	Total 2015	Total 2014
Revenue and support:				
Health and chemical dependency services:				
Patient service revenue (net of contractual allowances and discounts) (*Note 2*)	$ 22,934,068	$ -	$ 22,934,068	$ 16,457,137
Provision for bad debts	(163,141)	-	(163,141)	(254,102)
Net patient service revenue	22,770,927	-	22,770,927	16,203,035
Premium and incentive revenue	3,255,025	-	3,255,025	805,590
Health and chemical dependency services - net	26,025,952	-	26,025,952	17,008,625
Contract and government funding (*Note 18*)	22,125,291	-	22,125,291	20,832,283
Donations, grants, and special events	1,234,623	411,371	1,645,994	1,321,081
Rental income	3,249,150	-	3,249,150	3,076,905
Management and development fees	475,073	-	475,073	453,252
Social enterprises	1,885,879	-	1,885,879	1,740,429
Interest	1,059,726	-	1,059,726	1,041,035
Other	1,704,731	-	1,704,731	1,780,046
	57,760,425	411,371	58,171,796	47,253,656
Net assets released from restrictions (*Note 19*)	673,009	(673,009)	-	-
Net revenue and support	**58,433,434**	**(261,638)**	**58,171,796**	**47,253,656**
Operating expenses:				
Health and recovery	27,371,001	-	27,371,001	23,414,762
Supportive housing	4,819,643	-	4,819,643	4,109,326
Housing management	8,025,959	-	8,025,959	7,865,994
Employment and social enterprises	2,527,842	-	2,527,842	2,438,343
Administration	7,157,775	-	7,157,775	6,019,684
Fundraising	483,577	-	483,577	462,473
Total operating expenses	**50,385,797**	**-**	**50,385,797**	**44,310,582**
Excess (deficiency) of revenue and support over operating expenses	8,047,637	(261,638)	7,785,999	2,943,074
Non-operating activities:				
Capital grants	-	964,314	964,314	1,090,755
Debt forgiveness	-	-	-	75,000
Change in value of interest rate swap *(Notes 13 and 22)*	44,063	-	44,063	30,795
Other losses	(1,896)	-	(1,896)	(7,770)
Equity in losses of limited partnerships	(174)	-	(174)	(162)
Change in net assets	**8,089,630**	**702,676**	**8,792,306**	**4,131,692**
Net assets, beginning of year	21,630,392	24,131,142	45,761,534	41,629,842
Net assets, end of year	**$ 29,720,022**	**$ 24,833,818**	**$ 54,553,840**	**$ 45,761,534**

The accompanying notes are an integral part of the consolidated financial statements.

CENTRAL CITY CONCERN AND OTHER ENTITIES

Consolidated Statements of Functional Expenses

Year Ended June 30, 2015 *(With Comparative Totals for 2014)*

	Program Services					Supporting Services			Total	
	Health and Recovery	Supportive Housing	Housing Management	Employment and Social Enterprises	Total	Administration	Fundraising	Total	2015	2014
Operating expenses:										
Salaries	$ 16,341,312	$ 1,699,667	$ 2,215,106	$ 1,385,507	$ 21,641,592	$ 4,212,976	$ 253,307	$ 4,466,283	$ 26,107,875	$ 22,661,566
Payroll taxes and benefits	4,577,009	540,611	763,670	431,864	6,313,154	1,289,358	72,560	1,361,918	7,675,072	6,871,161
Rent	149,114	3,434	227,864	85,254	465,666	12,384	-	12,384	478,050	458,618
Insurance	105,415	5,468	187,948	6,603	305,434	51,711	851	52,562	357,996	323,302
Property taxes	-	-	19,331	-	19,331	-	-	-	19,331	85,346
Utilities	296,159	9,171	679,359	24,615	1,009,304	17,715	33	17,748	1,027,052	966,384
Repairs and maintenance supplies	449,111	28,544	557,131	178,358	1,213,144	234,420	2,173	236,593	1,449,737	1,171,044
Medical services and supplies	2,844,549	22,133	76	392	2,867,150	40,010	-	40,010	2,907,160	2,101,123
Program expenses	435,364	2,155,810	20,696	59,096	2,670,966	9,791	28,351	38,142	2,709,108	2,342,180
Office supplies and postage	135,107	10,398	15,210	96,955	257,670	28,722	32,331	61,053	318,723	281,406
Telephone	107,534	29,267	33,737	19,627	190,165	30,102	270	30,372	220,537	241,150
Travel	42,156	5,596	2,842	16,640	67,234	32,068	1,093	33,161	100,395	84,541
Contract services	994,383	225,189	85,360	78,646	1,383,578	557,692	61,904	619,596	2,003,174	1,863,569
Laundry and food	356,776	5,254	16,659	5,463	384,152	12,358	788	13,146	397,298	405,267
Vehicle	130,930	24,517	61,858	85,350	302,655	12,277	-	12,277	314,932	314,414
Client transportation	84,337	21,630	-	13,385	119,352	-	-	-	119,352	75,615
Interest	-	-	909,146	-	909,146	342,860	-	342,860	1,252,006	1,254,301
Legal	15,692	-	8,702	4,756	29,150	27,224	-	27,224	56,374	35,323
Printing	13,245	1,025	1,604	4,321	20,195	11,177	5,984	17,161	37,356	38,034
Other	41,520	27,830	85,917	20,895	176,162	155,570	23,932	179,502	355,664	308,516
Total operating expenses before depreciation and amortization	27,119,713	4,815,544	5,892,216	2,517,727	40,345,200	7,078,415	483,577	7,561,992	47,907,192	41,882,860
Depreciation and amortization	251,288	4,099	2,133,743	10,115	2,399,245	79,360	-	79,360	2,478,605	2,427,722
Total operating expenses	**$ 27,371,001**	**$ 4,819,643**	**$ 8,025,959**	**$ 2,527,842**	**$ 42,744,445**	**$ 7,157,775**	**$ 483,577**	**$ 7,641,352**	**$ 50,385,797**	**$ 44,310,582**

The accompanying notes are an integral part of the consolidated financial statements.

CENTRAL CITY CONCERN AND OTHER ENTITIES

Consolidated Statements of Cash Flows

Year Ended June 30, 2015 *(With Comparative Totals for 2014)*	**2015**	**2014**
Cash flows from operating activities:		
Change in net assets	$ 8,792,306	$ 4,131,692
Adjustments to change in net assets to net cash provided by operating activities:		
Equity in losses of limited partnerships	174	162
Depreciation and amortization	2,478,605	2,427,722
Other losses	1,896	7,770
Notes payable forgiven	(142,857)	(217,857)
Change in value of interest rate swap	(44,063)	(30,795)
Accrued interest added to principal balance of note receivable	(875,029)	(859,627)
Contribution of equipment	(96,413)	-
Contributions restricted for long-term purposes	(964,314)	(1,090,755)
Change in operating assets and liabilities:		
Accounts receivable - net	(2,934,128)	(872,772)
Prepaid expenses, deposits, and other assets	(265,041)	(25,011)
Due from managed properties	(37,398)	54,773
Accounts payable and accrued liabilities	672,168	(97,430)
Salaries and employee benefits payable	445,510	140,886
Deferred revenue and deposits	(5,225)	39,278
Accrued interest	61,364	10,314
Net cash provided by operating activities	**7,087,555**	**3,618,350**
Cash flows from investing activities:		
Purchase of certificates of deposit	(2,000,873)	-
Proceeds from sale of investments	-	749,985
Issuance of note receivable	(250,000)	-
Payments on outstanding notes receivable	399,045	399,045
Investment in limited partnership	(100)	-
Additions to property, equipment, and partnership pre-development activity	(1,681,849)	(1,574,933)
Proceeds from sale of property and equipment	-	18,417
Change in assets limited as to use	(1,225,217)	(508,786)
Net cash used by investing activities	**(4,758,994)**	**(916,272)**
Carried forward	**2,328,561**	**2,702,078**

The accompanying notes are an integral part of the consolidated financial statements.

CENTRAL CITY CONCERN AND OTHER ENTITIES

Consolidated Statements of Cash Flows - Continued

Year Ended June 30, 2015 *(With Comparative Totals for 2014)*	**2015**	**2014**
Brought forward	**$ 2,328,561**	**$ 2,702,078**
Cash flows from financing activities:		
Proceeds from notes payable	2,094,766	-
Payments of capital lease obligations and notes payable	(1,593,234)	(443,345)
Proceeds from contributions restricted for long-term purposes	964,314	1,090,755
Net cash provided by financing activities	**1,465,846**	**647,410**
Net change in cash and cash equivalents	**3,794,407**	**3,349,488**
Cash and cash equivalents, beginning of year	8,528,644	5,179,156
Cash and cash equivalents, end of year	**$ 12,323,051**	**$ 8,528,644**
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 1,190,642	$ 1,243,987
Cash paid for (refunded from) income taxes	(58,532)	83,893
Supplemental disclosures of noncash investing and financing activities:		
Equipment financed through capital leases	$ 65,881	$ 78,977
Property financed through issuance of notes payable	2,507,446	65,269
Accounts receivable exchanged for investment in limited partnership	106,021	-

The accompanying notes are an integral part of the consolidated financial statements.

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1. Nature of Activities

Central City Concern (CCC) is a 501(c)(3) private nonprofit organization serving single adults and families in the Portland, Oregon, metropolitan area who are impacted by homelessness, poverty, and addictions. Founded in 1979, CCC has developed a comprehensive continuum of affordable housing options integrated with direct social services including healthcare, recovery, and employment. The mission of CCC is to provide comprehensive solutions to ending homelessness and achieving self-sufficiency.

8 NW 8th LLC, CCC-Hotel Alder LLC, Central City Housing LLC, Central City Investor Inc., CCC Estate LLC, Rose Quarter Housing LLC, Rose Quarter Condo B LLC, CCC-Town Center Greens, LLC, CCC NE 2nd, LLC, CCC-Administrative GP, LLC and CCC-Acquisition LLC (collectively, Other Entities) are limited liability companies and corporations located in Portland, Oregon. Each of the Other Entities except for Central City Investor, Inc. and Rose Quarter Condo B LLC are (or will be) general partners or a limited partner in limited partnerships that have developed or are developing low-income housing facilities. In addition, Other Entities also includes Central City Concern Foundation (a supporting organization of CCC as defined by the Internal Revenue Service), Central City Concern Development, and Rose Quarter Condominium Association.

Presently, CCC operates the following programs:

CCC Recovery Center - Outpatient addictions treatment services for homeless and low-income individuals.

CCC Old Town Recovery Center - Outpatient mental health services for homeless and low-income individuals.

Recovery Mentor Program - Mentors connect with clients one-on-one to provide practical and emotional support to those in early recovery.

Community Engagement Program - A comprehensive healthcare, recovery, and housing program serving chronically homeless individuals.

Housing Rapid Response - Connects with homeless individuals who have been identified by Portland Police as frequent offenders. CCC provides housing, supportive services, and alternatives.

Puentes - Linguistically and culturally appropriate substance abuse treatment and mental health services for Spanish speaking families.

Esperanza Juvenil - Recovery treatment programs for Spanish speaking teens who are gang affected.

Hooper Detoxification and Stabilization Center - Regional detoxification center providing drug and alcohol treatment services and medical detoxification.

1. Nature of Activities - Continued

Eastside Concern - Outpatient addictions treatment for adults, including services specifically designed to meet treatment requirements for Department of Human Services, Domestic Violence Perpetrators Group, Driving under the Influence of Intoxicants (DUII) program, and Department of Criminal Justice.

Letty Owings Center - Comprehensive, intensive residential treatment and continuing care services for low-income, chemically dependent women who are pregnant and/or parenting young children.

Old Town Clinic - Primary medical care, acupuncture, naturopathic, and psychiatric healthcare clinic for homeless and low-income individuals, including a pharmacy staffed by pharmacists, pharmacy students, and residents.

Recuperative Care Program - Transitional housing, recuperative healthcare services, and daily case management for low-income and homeless individuals following hospitalization.

Benefit and Entitlement Specialist Team - Expedited assistance with SSI/SSD and Medicaid applications for referred homeless individuals.

Employment Access Center - A job resource center with specialized programs to assist homeless individuals, or those at risk of becoming homeless, achieve self-sufficiency by teaching the vocational and social skills needed to find and sustain full-time employment.

Community Volunteer Corps - Provides meaningful volunteer work opportunities that help people living in CCC housing develop basic job skills, build a work history, and regain confidence in their ability to succeed.

Social Enterprises - Mission-appropriate business models that generate income for CCC and create employment opportunities for successful graduates of CCC programs. Any profits from such ventures are reinvested into new programs and program improvements. Operations include:

Clean and Safe - a public sanitation and safety service in the downtown core.
Central City Bed - sells a durable, sustainable, contemporary, bed bug resistant furniture line highly suited for affordable housing developments, shelters, and dormitories.
Central City Coffee - provides job training opportunities for previously homeless individuals through sourcing and roasting exceptional coffee with sales supporting CCC's mission.

Alcohol and Drug Free Community (ADFC) Transitional Housing - People who choose to be clean and sober can live in ADFC housing. Residents bond together through daily routines that include support groups, treatment, job counseling, and skills training.

1. Nature of Activities - Continued

Family Alcohol & Drug-Free Network (FAN) Housing **-** Children up to age 18 live with the head of household in a stable, safe, and drug-free environment. The FAN program helps homeless families in recovery with three critical elements: case services, rent subsidy, and ADFC housing.

Housing Services **-** Builds and restores affordable housing across the Portland metropolitan area. CCC currently owns or manages 23 buildings with approximately 1,600 units of housing. Supportive housing brings support services to individuals that improve their chance of maintaining recovery, attaining employment, and moving towards self-sufficiency. More than half of these units are ADFC communities; some housing is for specific tenant populations. CCC provides janitorial, painting, and maintenance services for all the properties that it owns or manages.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by CCC and other Entities (collectively the Organization) are described below to enhance the usefulness of the consolidated financial statements to the reader.

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of CCC consolidated with the accounts of the Other Entities. Significant inter-organizational accounts and transactions have been eliminated. The Organization provides maintenance, painting, and janitorial services to both outside third parties and departments of the Organization. The effect of the internal services has been eliminated in the consolidated financial statements.

Basis of Accounting - The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation - Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets not subject to donor-imposed stipulations.

Temporarily restricted net assets **-** Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

2. Summary of Significant Accounting Policies - Continued

Use of Estimates - The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets, and liabilities at the date of the consolidated financial statements.

Estimates also affect the reported amounts of revenues, gains and other support, and expenses during the reporting period. Actual results could differ from these estimates.

Significant estimates include certain calculations of health and chemical dependency service revenue, depreciation and amortization expense, and the allowance for doubtful accounts.

Contribution Recognition - Contributions, which include unconditional promises to give, are recognized as revenues in the period cash is received or unconditional promises are made. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. The Organization has elected to show temporarily restricted contributions whose restrictions are met in the same fiscal year as unrestricted contributions.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions.

The Organization reports gifts of equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. For contributions relating to long-lived assets greater than $250,000, absent donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions ratably over the estimated useful life of the donated or acquired long-lived assets. For contributions related to long-lived assets less than $250,000, absent donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Adoption of New Accounting Principle - During 2015, the Organization adopted the provisions of *Financial Accounting Standards Board Accounting Standards Update 2011-07* related to the presentation of bad debt expense associated with patient service revenue. That guidance, which must be applied retrospectively, allows bad debt expense associated with patient service revenue to be presented on the statement of activities as a subtraction from patient service revenue (net of contractual allowances and discounts). The Organization reclassified bad debt expense of $254,102 for the year ended June 30, 2014, from operating expenses to an offset against patient service revenue. Net assets for the year ended June 30, 2014, were not affected by the adoption of this guidance.

2. Summary of Significant Accounting Policies - Continued

Revenue Recognition - The Organization recognizes net patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records a significant provision for bad debts related to uninsured patients in the period the services are provided. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts) recognized during the years ended June 30, from major payor sources is as follows:

	2015	2014
Estimated third-party payor settlements	$ 6,659,477	$ 5,369,243
Medicaid	12,147,418	7,986,265
Medicare	3,406,321	2,358,937
Third-party payors	536,790	459,153
Self-pay patients	184,062	283,539
	$ 22,934,068	$ 16,457,137

All contributions and grants are considered available for unrestricted use unless specifically restricted by the donor. Contract and government funding and service revenues are recognized at the time services are provided and the revenues are earned. Amounts received in advance of being earned are treated as deferred revenue.

Cash and Cash Equivalents - Cash equivalents consists of cash and highly liquid investments with an original maturity of three months or less. Separate bank accounts are maintained according to contractual requirements. At times, the Organization's cash and cash equivalent deposits may exceed Federally insured limits.

Certificates of Deposit - The Organization holds certificates of deposit that have varying maturity dates through June 2016. The certificates of deposit are carried at cost plus accumulated interest, which approximates fair value.

2. Summary of Significant Accounting Policies - Continued

Accounts Receivable – Receivables are recognized as goods or services provided. The Organization does not assess finance charges on past due accounts. For all receivables, the Organization will write-off any balance that remains after it has exhausted reasonable collection efforts.

Accounts receivable related to health and chemical dependency services are reported net of contractual allowances and discounts and are further reduced by an allowance for doubtful accounts. In evaluating the collectability of health and chemical dependency accounts receivable, the Organization analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. Major payor classes are summarized in *Note 3*.

For each of these classes of receivables, the Organization records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. Health and chemical dependency services receivables are considered past due from 120 days up to 18 months, depending upon the insurance carriers timely filing limits.

The Organization's allowance for doubtful health and chemical dependency services receivables totaled $249,482 at June 30, 2015. The allowance increased approximately $67,000 during the year ended June 30, 2015, primarily due to an increase in patient service revenue and anticipated higher uncollectible accounts.

For government grants and contracts and customer service fees, receivables past due more than 90 days are considered delinquent. The Organization maintains an allowance for doubtful accounts for these receivables based on past experiences and current economic conditions.

Assets Limited as to Use - Assets limited as to use consist of cash and cash equivalents and mostly include bank accounts required by the Organization's lenders to be used for major repairs or replacement of capital assets.

Investments in Limited Partnerships - Investments in limited partnerships are accounted for using the equity method. Accordingly, the consolidated financial statements include the Organization's share of the partnerships' net income or loss.

Property and Equipment - Purchased property and equipment is recorded at cost; donated property and equipment is recorded at estimated fair value at date of donation. Depreciation is being provided on a straight-line method over the estimated useful lives of the assets as follows: buildings, 30 years; vehicles, five to seven years; equipment and furnishings, three to five years. Leasehold improvements and equipment under capital leases are being amortized over the estimated useful lives of the leased property on the straight-line method. Depreciation and amortization expense on property and equipment totaled $2,340,806 for the year ended June 30, 2015.

2. Summary of Significant Accounting Policies - Continued

In-Kind Contributions - Donated goods are recorded at their estimated fair value and principally represent items that would typically need to be purchased if not provided by donation. Donated goods received totaled approximately $402,000 for the year ended June 30, 2015, and these amounts are included as a component of donations, grants, and special events in the accompanying consolidated statement of activities and changes in net assets.

Income Taxes - CCC and certain Other Entities are exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. Therefore, a provision for income taxes for these entities is not included in these consolidated financial statements. These entities are not classified as private foundations.

Certain activities of CCC and certain Other Entities may be subject to the Federal unrelated business income tax and similar state provisions. Unrelated business income tax was not generated from these activities during the year ended June 30, 2015.

GAAP prescribes a recognition threshold and measurement process for accounting for uncertain tax positions and also provides guidance on various related matters such as interest, penalties, and required disclosures. Management does not believe the Organization has any entity level uncertain tax positions. The Organization files income tax or informational returns in the U.S. Federal jurisdiction and the State of Oregon. Generally, the returns are subject to examination by these taxing authorities for three years from the filing of the return. There are currently no tax examinations in progress for any periods. Interest or penalties assessed by taxing authorities, if any, is included with administration expenses. The Organization did not incur any interest or penalties assessed by taxing authorities during the year ended June 30, 2015.

Charity Care - The Organization provides charity care to patients who are financially unable to pay for the health care services they receive. The Organization’s policy is not to pursue collection of amounts determined to qualify as charity care. Accordingly, the Organization does not report these amounts in net patient service revenue.

The Organization estimates the costs associated with providing charity care by aggregating the applicable direct and indirect costs from its costing system. The cost of services furnished under the Organization’s charity care policy totaled $1,020,000 for the year ended June 30, 2015. There were no significant changes in the Organization’s charity care policy during the year ended June 30, 2015.

Advertising - The Organization expenses advertising as it is incurred.

Functional Allocation of Expenses - Costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

2. Summary of Significant Accounting Policies - Continued

Summarized Financial Information for 2014 - The consolidated financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2014, from which the summarized financial information was derived.

Reclassifications - Certain reclassifications have been made to the 2014 information to conform with the 2015 presentation.

3. Accounts Receivables - Net

	2015	2014
Health and chemical dependency services:		
Estimated third-party payor settlements	$ 7,194,859	$ 5,339,514
Medicaid	1,569,451	1,413,797
Medicare	146,702	283,220
Third-party payors	521,950	380,677
Self-pay patients	11,291	10,266
Other	303,891	138,101
Total health and chemical dependency services	9,748,144	7,565,575
Government grants and contracts and other services	2,313,336	1,840,907
Accrued interest	839,057	746,789
Other receivables	665,800	500,682
Allowance for doubtful accounts	(275,114)	(190,837)
	$ 13,291,223	$ 10,463,116

Accrued interest is due from certain limited partnerships in which the Organization is invested *(Note 7)*. Also included in other receivables were developer fees receivable and other operating advances due from these same limited partnerships, which totaled $243,552 at June 30, 2015.

4. Due from Managed Properties

Amounts due from managed properties originate primarily from managed property expenses paid by the Organization on behalf of these properties and management fees earned. These amounts are predominantly due from various limited partnerships in which the Organization has invested *(Note 7)*.

5. Notes Receivable

Notes receivable consist of the following at June 30:

	2015	2014
Note receivable from Chez Ami Limited Partnership (CALP), secured by investment in real estate, accrues interest at 1 percent per annum. Principal and interest payments of $9,641 are due annually to the extent cash is available. The note is due no later than May 14, 2031.	$ 250,000	$ 250,000
Note receivable from CALP, secured by investment in real estate, accrues interest at 5.43 percent per annum. Principal and interest payments of $27,310 are due annually to the extent cash is available. The note is due no later than May 14, 2031.	400,000	400,000
Note receivable from Estate Limited Partnership, secured by investment in real estate, accrues interest at 5.02 percent per annum. Principal and interest payments are due based on available cash flow as defined in the note agreement. The note is due no later than October 1, 2043.	1,117,129	1,117,129
Note receivable from Biltmore Associates Limited Partnership, secured by a deed of trust, accrues interest at 3 percent per annum. Principal and interest payments are due based on available cash flow as defined in the note agreement. The note is due no later than October 1, 2033.	100,000	100,000
Note receivable from Rose Quarter Condo A Limited Partnership, secured by a deed of trust, accrues interest at 1 percent per annum. Principal and interest payments are due based on available cash flow as defined in the note agreement. The note is due no later than March 30, 2049.	6,268,081	6,268,081
Carried forward	8,135,210	8,135,210

5. Notes Receivable - Continued

	2015	**2014**
Brought forward	$ 8,135,210	$ 8,135,210
Note receivable from Rose Quarter Human Services Center Investor, LLC, secured by assets pledged pursuant to the fund pledge agreement, accrues interest at 3.11 percent per annum. Quarterly interest only payments of $8,439 are due through April 2016. Amounts of quarterly interest accrued in excess of $8,493 will be added to the unpaid principal balance of the note. Beginning July 2016, quarterly principal and interest payments will be due. The amount of the quarterly principal and interest payments required to fully amortize the unpaid principal balance at maturity will be dependent on the amount of unpaid accrued interest added to the principal balance of the note through April 2016. The note is due no later than April 2049.	8,018,037	7,807,029
Note receivable from Broadway Clinic/Hooper Center Investment Fund, LLC, secured by assets pledged pursuant to the fund pledge agreement, accrues interest at 3.5 percent per annum. Annual interest payments at 2.2 percent per annum are due through January 10, 2018. The difference between interest accrued and interest paid is added to the unpaid principal balance of the note. Beginning January 10, 2019, principal and interest payments of $1,510,888 are due annually. The note is due no later than January 1, 2036.	19,464,147	19,199,171
Note receivable from Miracles Central Apartments Limited Partnership, with a maximum commitment of $300,000, secured by a deed of trust, accrues interest at 6.5 percent per annum. Principal and interest are due based on available cash flow as defined in the note agreement. The note is due no later than June 25, 2070.	250,000	-
	$ 35,867,394	$ 35,141,410

5. Notes Receivable - Continued

Notes receivable from Rose Quarter Human Services Center Investor, LLC and Broadway Clinic/Hooper Center Investment Fund, LLC were issued by the Organization to take advantage of new markets tax credit (NMTC) financing.

These two notes receivable allowed the Organization to utilize loan proceeds from CFG III, LLC, NCIF New Markets Capital Fund II CDE, LLC, and Wells Fargo CDE Subsidiary III, LLC (the lenders) *(Note 14)* for qualified construction projects. In exchange for the loans, the lenders receive a 39 percent Federal tax credit over a seven-year period. The Organization must comply with various Federal requirements during this time. The tax credits are subject to recapture if these compliance requirements are not satisfied during the seven-year compliance period.

At the end of the compliance period for each note payable, investment fund partnerships that have funded the lenders and the outside investors that are upstream effective owners of the lenders are expected to exercise a put and call option, at which time the Organization is expected to purchase the ownership of each respective investment fund partnership. Exercising this option will effectively allow the Organization to extinguish the remaining debt owed to the lenders and satisfy the related notes receivable.

Other notes receivable are due from limited partnerships in which CCC or one of the Other Entities serves as the general partner *(Note 7).*

6. Intangible Assets - Net

Intangible assets consist of the following at June 30:

	2015	**2014**
Transaction costs - NMTC financing	$ 797,555	$ 797,555
Goodwill - Eastside Concern	1,087,033	1,087,033
Loan fees	176,796	176,796
Patent	130,000	130,000
	2,191,384	2,191,384
Less accumulated amortization	(609,557)	(471,758)
	$ 1,581,827	$ 1,719,626

6. Intangible Assets - Net - Continued

Transaction costs associated with obtaining NMTC financing *(Note 14)* have been capitalized and are being amortized on a straight-line basis over the seven-year term of the NMTC. The carrying amount of goodwill is not amortized, but is reduced if management determines the implied fair value has been impaired. Loan fees are being amortized on a straight-line basis over the lives of the respective financing arrangements. Costs associated with obtaining a patent have been capitalized and are being amortized over the term of the patent, which is 20 years.

Goodwill assigned to Eastside Concern is reviewed for possible impairment at least annually or more frequently upon the occurrence of events or circumstances indicating the carrying value exceeds the fair value of Eastside Concern. As of June 30, 2015, based on expected future cash flows and other factors, management did not believe an impairment loss of goodwill was necessary.

Future estimated amortization expense associated with transaction costs, loan fees, and a patent is as follows:

Years Ending June 30,	Amount
2016	$ 137,723
2017	126,721
2018	94,657
2019	48,342
2020	15,161
Thereafter	72,190
	$ 494,794

Amortization expense for the year ended June 30, 2015, totaled $137,799 and is included in depreciation and amortization expense in the accompanying consolidated statement of functional expenses.

7. Investments in Limited Partnerships

CCC is the sole member of the Other Entities. The Other Entities and CCC are (or will be) the general partners in certain limited partnerships, and their ownership and capital accounts consist of the following:

	Ownership Interest	Capital Accounts 2015	Capital Accounts 2014
Estate Limited Partnership	0.01%	$ 849,569	$ 849,608
Rose Quarter Condo A Limited Partnership	0.01	559	594
Chez Ami Limited Partnership	0.01	278,848	278,856
8 NW 8th Limited Partnership	0.01	999,468	999,512
Biltmore Associates Limited Partnership	0.01	640,855	534,849
Hotel Alder Limited Partnership	0.01	98,851	98,884
Miracles Central Apartments Limted Partnersh	0.01	100	-
		$ 2,868,250	$ 2,762,303

In May 2001, the Organization entered into CALP as the general partner. This partnership constructed a facility to be used as housing for low-income tenants with both mental health and addiction diagnoses. Pursuant to the partnership agreement, the Organization entered into a 60-year operating ground lease with Clackamas County, with an annual payment of $1. The Organization assigned the lease to this partnership as part of their capital contribution to this partnership. At the end of the lease period, the ground and all improvements constructed thereon revert to Clackamas County. A capital contribution to this partnership has been recorded in the amount of $10 for this lease assignment. The Organization has made additional capital contributions in the amount of $278,979.

7. Investments in Limited Partnerships - Continued

Summarized financial information of the limited partnerships (with the exception of Miracles Central Apartments Limited Partnership) at December 31, 2014, the date of the most recent audited consolidated financial statements, consists of the following:

	Estate Limited Partnership	Rose Quarter Condo A Limited Partnership	Chez Ami Limited Partnership	8 NW 8th Limited Partnership	Biltmore Associates Limited Partnership	Hotel Alder Limited Partnership
Property - net	$ 11,583,726	$ 11,607,422	$ 1,446,647	$ 11,026,552	$ 3,963,897	$ 6,989,296
Required reserves	1,075,693	1,034,651	177,390	944,956	322,706	566,517
Other assets	543,594	462,192	165,406	239,598	46,202	305,991
Total assets	$ 13,203,013	$ 13,104,265	$ 1,789,443	$ 12,211,106	$ 4,332,805	$ 7,861,804
Long-term debt	$ 7,472,677	$ 6,936,450	$ 785,514	$ 12,054,277	$ 2,107,344	$ 3,560,043
Other liabilities	194,211	417,471	386,475	128,165	363,606	70,572
Partners' equity	5,536,125	5,750,344	617,454	28,664	1,861,855	4,231,189
Total liabilities and partners' equity	$ 13,203,013	$ 13,104,265	$ 1,789,443	$ 12,211,106	$ 4,332,805	$ 7,861,804
Revenues	$ 1,088,833	$ 915,481	$ 269,265	$ 1,208,049	$ 543,960	$ 495,171
Expenses	1,430,710	1,267,325	346,996	1,645,607	685,054	825,839
Net loss	$ (341,877)	$ (351,844)	$ (77,731)	$ (437,558)	$ (141,094)	$ (330,668)

On June 26, 2015, Miracles Central Apartments Limited Partnership was created to develop and operate a low-income housing facility. As of June 30, 2015, funding from outside sources had been received, however development of the housing facility had not yet begun and the partnership had incurred minimal expenses. Therefore, summarized financial information for this partnership is not presented.

8. Partnership Pre-Development Activity

As of June 30, 2015, CCC was in the process of creating two additional limited partnerships (Town Center Greens Limited Partnership and 1st and Arthur Limited Partnership). At June 30, 2015, CCC (through certain wholly owned affiliates) was the sole member in these entities, and as a result, activity related to these entities is included in the accompanying consolidated financial statements at June 30, 2015.

During the year ended June 30, 2015, CCC acquired land and incurred various pre-development costs related to these projects totaling $3,103,723. When additional members are admitted into the Town Center Greens Limited Partnership and 1st and Arthur Limited Partnership, CCC (through certain wholly owned affiliates) will become a general partner in these entities. The capitalized partnership pre-development costs will be removed from the consolidated financial statements, and be replaced by notes receivable and an investment in these limited partnerships.

9. Property and Equipment - Net

Property and equipment consists of the following at June 30:

	2015	2014
Land	$ 7,301,282	$ 7,301,282
Buildings and leasehold improvements	58,786,774	58,225,567
Equipment and furniture	3,284,672	2,817,386
	69,372,728	68,344,235
Less accumulated depreciation and amortization	(15,091,726)	(12,792,392)
	54,281,002	55,551,843
Predevelopment costs	209,571	6,584
	$ 54,490,573	$ 55,558,427

10. Line of Credit

The Organization has a line of credit agreement with Wells Fargo Bank with a maximum commitment of $4 million. The line matures on April 1, 2016. Operating advances are secured by accounts receivable and certain equipment. Advances under this agreement may also be used for real estate acquisition or development purposes. Such advances are secured by the property acquired with the proceeds, and are due one year following the date of such advance. Advances in excess of $3 million are limited to a certain percentage of accounts receivable, equipment, and property acquired with the proceeds. Advances up to $3 million bear interest at the one-month LIBOR plus 2.75 percent and advances in excess of $3 million bear interest at the one-month LIBOR plus 3 percent (2.95 and 3.2 percent, respectively at June 30, 2015). At June 30, 2015, there were no outstanding borrowings.

The above line of credit contains various covenants regarding certain consolidated financial statements amounts, ratios, and activities of the Organization.

11. Accrued Interest

Accrued interest consists of the following at June 30:

	2015	2014
Portland Housing Bureau secured by the Medford Building	$ 259,757	$ 259,757
Portland Housing Bureau secured by the Shoreline Building	1,382,447	1,320,772
Wells Fargo CDE Subsidiary III, LLC secured by the Broadway Clinic and Hooper Building	199,522	199,522
Other	35,618	35,929
	$ 1,877,344	$ 1,815,980

12. Capital Lease Obligations

The Organization leases equipment under capital lease agreements that expire through March 2018. The equipment was capitalized at $376,596, which represents the present value of the minimum lease payments when the leases originated. Accumulated amortization expense was $213,293 at June 30, 2015. Amortization of the equipment is included in depreciation and amortization expense. The following is a schedule of minimum future lease payments and the present value of the net minimum lease payments as of June 30, 2015:

Years Ending June 30,	Amount
2016	$ 85,425
2017	51,633
2018	34,280
2019	14,166
	185,504
Less amount representing interest	(16,431)
Present value of future minimum lease payments	$ 169,073

13. Interest Rate Swap Agreement

The Organization has entered into an interest rate swap agreement (swap) with Wells Fargo Bank. The Organization has utilized the swap to reduce the variability of its interest rate on a note payable with Wells Fargo Bank *(Note 14)*. The swap agreement terminates in October 2017. The interest rate swap liability totaled $130,425 at June 30, 2015. The payment of the interest rate swap liability is contingent on the early termination of the underlying note payable. GAAP requires such assets and liabilities to be valued at their fair value (determined using the present value of future settlement payments). The recorded liability at June 30, 2015, does not represent a right to cash that is currently payable.

14. Notes Payable

Notes payable consist of the following at June 30:

	2015	**2014**
Note payable to Portland Housing Bureau, non-interest bearing, due January 2060, or upon sale or transfer of the Butte Building, which is pledged as collateral.	$ 90,000	$ 90,000
Two notes payable to Portland Housing Bureau, non-interest bearing, due September 2046, or upon the sale or transfer of the Medford Building, which is pledged as collateral. A portion of the principal may become due if excess cash flows are generated as defined by the note agreement.	1,049,000	1,049,000
Note payable to the Calvert Social Investment Foundation, interest only payments due semi-annually at 4.5 percent, due March 2017.	1,500,000	2,500,000
Note payable to U.S. Bank, payable in monthly installments of $4,047 including interest at 7.56 percent per annum, secured by the Taggart Building and an assignment of its rents, due April 2031.	254,307	364,461
Note payable to the National Alliance for the Mentally Ill, non-interest bearing, unsecured, due upon change of use of the Chez Ami Building.	30,000	30,000
Carried forward	2,923,307	4,033,461

14. Notes Payable - Continued

	2015	2014
Brought forward	$ 2,923,307	$ 4,033,461
Note payable to Portland Housing Bureau, non-interest bearing, secured by the Letty Owings Center, due April 2029. A portion of principal may become due if excess cash flows are generated as defined by the note agreement and beginning April 2019, monthly installments of $1,192 will also be due.	70,076	70,076
Two notes payable to Portland Housing Bureau, non-interest bearing, secured by a trust deed, due March 2017. The notes will be converted to a grant in March 2017, if the Organization is not in default with the terms of the notes.	5,000,000	5,000,000
Note payable to Clackamas County, non-interest bearing, secured by the Chez Ami Building, due on demand if the property is sold, transferred, the use is changed, or is no longer affordable to low-income tenants.	250,000	250,000
Note payable to the State of Oregon, non-interest bearing, principal reduced by $83 per month provided the Chez Ami facility exclusively houses persons with mental or emotional disorders. The note is unsecured and matures in 2032.	17,500	18,500
Note payable to U.S. Bank, bearing interest at 2 percent per annum, interest only payments due quarterly, unsecured, due March 2020. The maturity date may be extended annually for up to five years provided the Organization is in compliance with the terms of the note agreement.	250,000	250,000
Note payable to Wells Fargo Community Development Corporation, bearing interest at 2 percent per annum, interest only payments due quarterly, unsecured, due June 2016.	250,000	250,000
Note payable to the Portland Housing Bureau, non-interest bearing, secured by the Sally McCracken Building, due February 2021.	1,383,828	1,383,828
Carried forward	10,144,711	11,255,865

14. Notes Payable - Continued

	2015	**2014**
Brought forward	$ 10,144,711	$ 11,255,865
Note payable to Portland Housing Bureau, non-interest bearing, secured by a trust deed, due March 2017. The note will be converted into a grant in March 2017, if the Organization is not in default with the terms of the note.	1,666,503	1,666,503
Note payable to CFG III, LLC, bearing interest at 1.9029 percent per annum, secured by a trust deed and certain assets limited as to use, due April 2016. Quarterly interest payments are due through the maturity date of the note, when all outstanding principal and interest will be due.	324,759	324,759
Note payable to CFG III, LLC, bearing interest at 1.9029 percent per annum, secured by a trust deed and certain assets limited as to use, due April 2049. Quarterly interest payments of $11,249 are due through April 1, 2016. Beginning July 1, 2016, quarterly principal and interest payments of $24,552 are due through the maturity date of the note.	2,402,504	2,402,504
Note payable to CFG III, LLC, bearing interest at 1.9029 percent per annum, secured by a trust deed and certain assets limited as to use, due April 2049. Quarterly interest payments of $6,868 are due through April 1, 2016. Beginning July 1, 2016, quarterly principal and interest payments of $14,754 are due through the maturity date of the note.	1,443,737	1,443,737
Note payable to NCIF New Markets Capital Fund II CDE, LLC, bearing interest at 1.9029 percent per annum, secured by a trust deed and certain assets limited as to use, due April 2016. Quarterly interest payments of $2,366 are due through the maturity date of the note, when all outstanding principal and interest will be due.	497,444	497,444
Carried forward	16,479,658	17,590,812

14. Notes Payable - Continued

	2015	**2014**
Brought forward	$ 16,479,658	$ 17,590,812
Note payable to NCIF New Markets Capital Fund II CDE, LLC, bearing interest at 1.9029 percent per annum, secured by a trust deed and certain assets limited as to use, due April 2049. Quarterly interest payments of $17,507 are due through April 1, 2016. Beginning July 1, 2016, quarterly principal and interest payments of $37,606 are due through the maturity date of the note.	3,680,000	3,680,000
Note payable to NCIF New Markets Capital Fund II CDE, LLC, bearing interest at 1.9029 percent per annum, secured by a trust deed and certain assets limited as to use, due April 2049. Quarterly interest payments of $10,520 are due through April 1, 2016. Beginning July 1, 2016, quarterly principal and interest payments of $22,599 are due through the maturity date of the note.	2,211,423	2,211,423
Note payable to the Portland Housing Bureau, non-interest bearing, due January 2024, or upon the sale or transfer of the Hatfield Building, which is pledged as collateral.	844,317	844,317
Note payable to the Portland Housing Bureau, non-interest bearing, due upon sale or transfer of the Rose Wood Building, which is pledged as collateral.	937,000	937,000
Note payable (SNAP Bond) to Key Governmental Finance, bearing interest at 5.04 percent per annum through January 2020, at which time the rate will reset based on the change in the five-year U.S. Treasury Constant Note Index, resetting every five years through the maturity date of the note in February 2040. Monthly principal and interest payments currently due of $24,537, secured by a deed of trust and assignment of rents agreement on the Sally McCracken, Medford, and Hatfield Buildings, due February 2040.	4,152,482	4,235,358
Carried forward	28,304,880	29,498,910

14. Notes Payable - Continued

	2015	**2014**
Brought forward	$ 28,304,880	$ 29,498,910
Note payable to the State of Oregon, non-interest bearing, secured by the Hooper Building, due September 2017. For each year the Organization operates the David P. Hooper Detoxification Center, the obligation will be reduced by approximately $143,000 per year until maturity, provided the Organization is not in default with the terms of the note.	428,572	571,429
Note payable to the Portland Housing Bureau, bearing interest at 3 percent per annum, due January 2020, or upon the sale or transfer of the Shoreline Building. The note is secured by a deed of trust and assignment of rent agreements on the Shoreline Building.	650,900	650,900
Note payable to the Portland Housing Bureau, bearing interest at 3 percent per annum, due July 2021, or upon the sale or transfer of the Shoreline Building. The note is secured by a deed of trust and assignment of rent agreements on the Shoreline Building.	1,404,888	1,404,888
Note payable to Wells Fargo Bank, bearing interest at a variable rate (approximately 2.2 percent at June 30, 2015), secured by a deed of trust and assignment of rent agreements on the Hooper Building, due October 2017. The Organization entered into a swap to reduce the variability of its interest rate *(Note 13)* . Through the swap, the Organization's effective interest rate at June 30, 2015, was approximately 3.7 percent. Monthly principal payments of $21,000 plus interest are due through the maturity date of the note.	5,396,865	5,648,865
Note payable to Wells Fargo CDE Subsidiary III, LLC, bearing interest at 1.6126 percent per annum, secured by a trust deed and assignment of rent agreements on the Broadway Clinic and Hooper Building, due January 2036. Annual interest payments of $291,644 are currently due through January 1, 2018. Beginning January 1, 2019, annual principal and interest payments of $1,165,735 are due through the maturity date of the note.	18,087,000	18,087,000
Carried forward	54,273,105	55,861,992

14. Notes Payable - Continued

	2015	**2014**
Brought forward	$ 54,273,105	$ 55,861,992
Note payable to Wells Fargo CDE Subsidiary III, LLC, bearing interest at 1.6126 percent per annum, secured by a trust deed and assignment of rent agreements on the Broadway Clinic and Hooper Building, due January 2036. Annual interest payments of $107,381 are currently due through January 1, 2018. Beginning January 1, 2019, annual principal and interest payments of $429,183 are due through the maturity date of the note.	6,659,000	6,659,000
Note payable to Portland Housing Bureau, non-interest bearing, due upon sale, transfer, or change of use of the Taggart Building, which is pledged as collateral.	757,590	757,590
Note payable to Portland Housing Bureau, non-interest bearing, due January 2072, or upon sale, transfer, or change of use of the Hatfield Building, which is pledged as collateral.	846,727	846,727
Note payable to Portland Housing Bureau, non-interest bearing, due January 2072, or upon sale, transfer, or change of use of the Butte Building, which is pledged as collateral.	225,550	225,550
Note payable to Umpqua Bank, payable in monthly installments of $1,511 including interest at 3.5 percent per annum through October 2017. The interest will be redetermined in November 2017, based on the five-year amortizing advance rate as determined by the Federal Home Loan Bank of Seattle as of November 2017, plus a margin of 2.16 percentage points with a 3.5 percent floor and will remain fixed at this amount through October 2022. A balloon payment of $212,142 will be due October 2022. The note is secured by the Eastside Concern Building.	279,045	287,250
Note payable to MPower Oregon, LLC. Repaid in 2015.	-	65,269
Carried forward	63,041,017	64,703,378

14. Notes Payable - Continued

	2015	**2014**
Brought forward	$ 63,041,017	$ 64,703,378
Note payable to State of Oregon, non-interest bearing and secured by certain partnership pre-development costs. The note is due if the Organization fails to operate the property according to the terms of the loan agreement. The note will be forgiven June 2045 if the property has been operated in accordance with the loan agreement.	1,680,689	-
Note payable to Meyer Memorial Trust, bearing interest at 1.75 percent per annum, secured by substantially all assets of the Organization, due September 2019. Quarterly interest payments are currently due with all unpaid principal and interest due at the maturity date of the note.	1,500,000	-
Note payable to Clackamas County, non-interest bearing, due December 2044, or upon sale or transfer of certain partnership pre-development costs, which are pledged as collateral. If not less than $1,000,000 is paid prior to the maturity date, the remaining principal balance not to exceed $500,000 will be forgiven by the lender.	1,421,522	-
	$ 67,643,228	$ 64,703,378

Minimum future payments due under these notes are as follows at June 30, 2015:

Years Ending June 30,	**Amount**
2016	$ 1,201,007
2017	8,766,762
2018	5,931,419
2019	1,568,132
2020	7,019,631
Thereafter	43,156,277
	$ 67,643,228

14. Notes Payable - Continued

Certain notes payable previously described contain provisions whereby the notes payable may be forgiven by the lender, provided certain conditions are met by the Organization or are only due if the collateral is sold or transferred. In addition, certain notes payable are associated with new markets tax credit financing. A summary of the outstanding balances with such provisions are as follows at June 30, 2015:

Notes with forgiveness provisions	$ 9,214,787
Notes due only if collateral is sold or transferred	1,974,590
Notes related to new markets tax credits	35,305,867
	$ 46,495,244

The carrying values of certain property or partnership pre-development assets owned by the Organization used as collateral for the notes payable described above are as follows at June 30, 2015:

Butte Building	$ 1,030,943
Medford Building	757,996
Taggart Building	1,642,817
Letty Owings Center	1,183,469
Rose Quarter Condo B	8,103,366
Sally McCracken Building	3,717,917
Hatfield Building	4,691,659
Rosewood Building	1,806,543
Hooper Building	5,281,588
Old Town Recovery Center	17,657,159
Eastside Concern Building	569,200
Partnership pre-development assets	3,103,723
	$ 49,546,380

Certain of the aforementioned notes payable contain various covenants regarding consolidated financial statement amounts, ratios, and activities of the Organization.

15. Commitments

The Organization leases certain facilities under operating leases, including leases with various partnerships in which it is the general partner, that expire through 2025. The Organization is responsible for utilities, taxes, and insurance. Minimum rental commitments under these leases are as follows at June 30, 2015:

Years Ending June 30,	Amount
2016	$ 481,760
2017	410,566
2018	422,495
2019	346,402
2020	278,777
Thereafter	1,306,729
	$ 3,246,729

Rent expense totaled approximately $492,000 for the year ended June 30, 2015. Included in this amount was rent paid to related parties of approximately $287,000.

The Organization is contingently liable for certain operating deficits arising from the operations of the limited partnerships *(Note 7)* as follows:

Estate Limited Partnership - The Organization is committed to fund as loans any operating deficits that occur if the total deficit exceeds the operating reserve balance of the Estate Limited Partnership.

Chez Ami Limited Partnership - The Organization is committed to make additional capital contributions of up to $150,000, plus distributions previously paid. This commitment will expire when the project has operated at breakeven for eight consecutive calendar years, the combined balance of the partnership operating reserves equals or exceeds $75,000, and the Clackamas County Mental Health Partnership (CCMH) agreement is in place. During the year ended June 30, 2015, the Organization converted an existing receivable of $106,021 due from this partnership into an additional capital contribution.

Biltmore Associates Limited Partnership - The Organization is committed to make additional capital contributions equal to the amount of the partnership operating deficit. The obligation is limited to $160,000 on the date the following have occurred: (i) the partnership has achieved breakeven operations for three consecutive months, and (ii) achieved the required debt service coverage ratio as defined in the partnership agreement.

Hotel Alder Limited Partnership - The Organization is committed to make additional capital contributions to the partnership if the operating deficit of the partnership exceeds the operating reserve balance of the partnership.

15. Commitments - Continued

Rose Quarter Condo A Limited Partnership - The Organization is committed to fund as loans any operating deficits that occur within the partnership. This obligation is limited to $650,000, unless there is fraud, gross negligence, or willful misconduct by the Organization. The obligation shall continue until the last of the following occur: (i) third anniversary of the lease-up period; (ii) third anniversary of the end of the stabilization period; or (iii) such time, following the end of the stabilization and lease-up periods, that the project has achieved and maintained the required debt service coverage for three calendar years, and certain operating and debt service levels are achieved.

With the exception of the additional capital contribution to CALP, no amounts have been paid or are payable as of June 30, 2015, under the above commitments.

Approximately 26 percent of the Organization's labor force are members of the Council 75, Local 88 American Federation of State, County, and Municipal Employees, AFL-CIO Union (the Union). The Union contract expires June 30, 2016. The Organization's other workers are not represented by a union.

16. Contingencies

Claims arising in the normal course of operations have been filed against the Organization. Certain claims are covered by insurance and have been tendered to the Organization's public liability insurer. In management's opinion, claims will not result in material losses to the Organization.

A significant portion of the Organization's net revenue and support are earned under grants and contracts with various funding sources. Amounts received or receivable from these contracting agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Organization if so determined in the future. It is management's belief that no material amounts received will be required to be returned in the future that have not already been provided for.

The Organization participates in the Federal Tort Claims Act (FTCA) medical malpractice program. Under that program, any medical, surgical, dental, or related functions within the approved scope of the program performed by an employee of the organization, acting within the scope of his or her employment, that results in a civil action or proceeding for damages for personal injury, including death, is deemed a cause of action instituted against the United States, which is reviewed by the U.S. Department of Health and Human Services Office of the General Counsel and the Department of Justice. Any claim of the entity or person for benefits under an insurance policy with respect to medical malpractice claim under the program is subrogated to the United States.

17. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at June 30:

	2015	2014
Time and purpose restrictions	$ 24,601,183	$ 23,946,382
Purpose restrictions	232,635	184,760
	$ 24,833,818	$ 24,131,142

In 1995, the Organization received capital grants in the form of three restricted grants, totaling $475,000, to be used for acquiring and rehabilitating the Hatfield Building. These monies were contributed, as general partner capital contributions, to the Rothchild Building Limited Partnership, whose assets and liabilities were assigned to CCC during 2010. The grants require the building be maintained as affordable housing, for the extreme low-income, for various periods up to 60 years.

Capital grants in the amount of $1,539,756 were received through the year ended June 30, 1999, and were restricted for acquisition and rehabilitation of the Rose Wood Building. These grants require the building be maintained as low-income housing for people with HIV/AIDS and their families. The grant restrictions are in force for various periods up to 60 years. The building was completed in September 1998.

Capital grants in the amount of $600,000 were received through the year ended June 30, 2002, and were restricted for acquisition and rehabilitation of the Chez Ami Building. These grants require the building be maintained as low-income housing for people with both mental health and additional diagnoses. The grant restrictions are in force for 20 years on approximately $400,000 and 60 years on approximately $200,000. The building was completed during 2002.

The Organization was awarded grants of $200,000 from Oregon Housing and Community Services (OHCS) and $385,000 from Federal Home Loan Bank of Seattle and Albina Community Bank during 2003 to assist with rehabilitation costs of the Biltmore Building. These grants require the building be maintained as low-income housing for 15 years on $385,000 and 60 years on $100,000 of the $200,000 grant.

In 2005, the Organization was awarded a grant of $200,000 from Multnomah County Housing Program to acquire and renovate the Rose Quarter Building. This grant requires the building be maintained as low-income housing for 60 years.

17. Temporarily Restricted Net Assets - Continued

In 2006, the Organization was awarded a grant of $300,000 from OHCS to renovate the Estate Building. This grant requires the building be maintained as low-income housing for 60 years. During 2007, the Organization was awarded an additional $300,000 from OHCS to partially finance the cost of weatherization improvements for the Estate Building. This grant also requires the building be maintained as low-income housing for 60 years. During 2007, it was determined the cost of the 2006 renovation was $41,310 less than what had originally been budgeted, and the Organization returned the unspent funds to OHCS, leaving $258,690 in temporarily restricted net assets through 2067.

In August 2006, the Organization was awarded a $3,680,000 capital grant from the City of Portland Bureau of Housing and Community Development for the renovation of the Rose Quarter Building. The grant agreement stipulates the future use of the building is to provide permanent supportive housing for the homeless for 60 years.

In April 2009, the Organization was awarded two $100,000 capital grants from OHCS for the renovation of the Rose Quarter Building. One of the grants requires the building be maintained as low-income housing for 60 years, and the other grant requires the building be used as low-income housing for 30 years. In January 2010, the capital grant with a 60-year use restriction was increased by OHCS from $100,000 to $300,000.

In July 2008, the Organization was awarded a $200,000 capital grant from the State of Oregon Addictions and Mental Health Division for the renovation of the Rose Quarter Building. The grant agreement stipulates a portion of the building will be made available for 30 years to persons who are in recovery for alcohol and drug abuse.

In August 2008, the Organization was awarded a $1,000,000 capital grant from Multnomah County for the renovation of the Rose Quarter Building. The agreement stipulates the Hooper Center operates as a mental health evaluation and treatment center for five years with repayment for noncompliance released ratably over the five-year period. This grant is being released ratably over the estimated useful life of the Rose Quarter Building and at June 30, 2015, the amount included in temporarily restricted net assets totaled $897,033.

In April 2009, the Organization was awarded a $400,000 capital grant from the Federal Home Loan Bank of Seattle for the renovation of the Rose Quarter Building. The grant agreement stipulates the building be maintained as affordable housing for 15 years, after which the Organization will release the proceeds from this grant ratably over the remaining useful life of the Rose Quarter Building.

During 2010, the Organization was awarded $235,000 from OHCS for certain costs incurred related to the Rose Quarter Building. The grant requires the building be used as low-income housing for 10 years.

In June 2010, the Organization was awarded $2,767,000 from Multnomah County to be used for the renovation of the Hooper project. This grant is being released ratably over the estimated useful life of the Hooper Building and at June 30, 2015, the amount included in temporarily restricted net assets totaled $2,390,384.

17. Temporarily Restricted Net Assets – Continued

In January 2010 and 2011, the Organization was awarded two separate $100,000 conditional grants from OHCS for the renovation of the Rose Quarter Building. The grant agreements stipulate the building be used as low-income housing for 60 years.

In October 2009, the Organization was awarded a $150,000 conditional grant from the Multnomah County Community Services Division for making repairs and improvements to improve the energy efficiency of the Rosewood Building. The grant was contingent upon the Organization expending certain qualifying costs. $141,475 of the grant was expended. The grant agreement stipulates the building be used as low-income housing for 10 years.

In October 2010, the Organization was awarded an $8,950,000 conditional grant from HRSA to be used to fund costs related to the renovation of the Old Town Recovery Center. This grant is being released ratably over the estimated useful life of the Old Town Recovery Center, and at June 30, 2015, the amount included in temporarily restricted net assets totaled $7,660,826.

In September 2010, the Organization acquired a note payable to the State of Oregon in the amount of $1,000,000 for renovation of the Hooper Building. Under the note agreement, the note balance will be reduced equally over the term of the note, which is seven years. As of June 30, 2015, $571,428 of the note balance was reduced and recognized as temporarily restricted revenue by the Organization, as the note agreement stipulates the building be used as low-income housing for 30 years.

During the year ended June 30, 2012, the Organization recognized grant revenue of $613,872 from the Multnomah County Community Services Division for the renovation of the Hatfield Building. The grant agreement stipulates the building be used as low-income housing for 10 years, after which time the Organization will release the proceeds from this grant ratably over the remaining useful life of the Hatfield Building.

During the year ended June 30, 2012, the Organization received grants and contributions totaling $600,000 for renovations to the Old Town Recovery Center. These grants and contributions are being released ratably over the estimated useful life of the Old Town Recovery Center and at June 30, 2015, the amount included in temporarily restricted net assets totaled $548,495.

In September 2011, the Organization was awarded a $500,000 conditional grant from OHCS to be used to fund costs related to the renovation of the Butte Building. The grant agreement stipulates the building be used as low-income housing for 60 years.

During the year ended June 30, 2013, the Organization recognized grant revenue of $124,000 from the Multnomah County Community Services Division for the renovation of the Taggart Manor Building. The grant agreement stipulates the building be used as low-income housing for 10 years, after which the Organization will release the proceeds from this grant ratably over the remaining useful life of the Taggart Manor Building.

17. Temporarily Restricted Net Assets – Continued

During the year ended June 30, 2014, the Organization received a grant of $300,000 for its pharmacy expansion at the Old Town Recovery Center. The grant is being released ratably over the remaining useful life of the Old Town Recovery Center, and at June 30, 2015, the amount included in temporarily restricted net assets totaled $285,000.

In April 2012, the Organization was awarded a $500,000 conditional grant from HRSA to be used for costs related to renovations to the Letty Owings Center. This grant is being released ratably over the estimated useful life of the Letty Owings Center. At June 30, 2015, the amount included in temporarily restricted net assets totaled $474,283.

During the year ended June 30, 2015, the Organization received grants and contributions totaling approximately $868,000 for renovations to Town Center Greens, Miracles Center Apartments, Hill Park Apartments, and the Letty Owings Center. Once renovations are complete, the grants and contributions will be released ratably over the estimated life of the buildings.

18. Contract and Government Funding

Contract and government funding consists of amounts received from the following sources for the year ended June 30:

	2015	**2014**
Multnomah County	$ 12,873,309	$ 12,700,976
Direct Federal grants	3,863,048	3,737,255
City of Portland	3,479,371	2,835,060
State of Oregon	332,319	151,766
Other	1,577,244	1,407,226
	$ 22,125,291	$ 20,832,283

19. Net Assets Released From Restrictions

During the year ended June 30, 2015, $673,009 of net assets were released from donor restrictions by incurring expenses or the occurrence of events specified by donors.

20. Pension Plans

The Organization provides retirement benefits for all eligible employees who have elected to participate through a 403(b) plan, under which the Organization will match 100 percent of an employee's salary deferral, not to exceed 10 percent of the employee's compensation, based on the employee's years of participation in the plan.

Total contributions to the plan, by the Organization, were approximately $1,152,000 for the year ended June 30, 2015.

The Organization maintains a 457(b) deferred compensation plan for certain eligible employees. Assets of $17,500 are held by the Organization for this plan and are included with assets limited as to use and a corresponding amount with salaries and employee benefits payable.

Total contributions to the plan by the Organization were $17,500 for the year ended June 30, 2015.

21. Related-Party Transactions

Partnership management and tenant service fees of approximately $93,000, housing management fees of approximately $325,000, and developer fees of $40,000 were earned from the Limited Partnerships during the year ended June 30, 2015.

22. Fair Value Measurements

GAAP establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2: Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1. Fair value is determined through the use of models or other valuation methodologies.

Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

22. Fair Value Measurements - Continued

The Organization's liability that is measured at fair value on a recurring basis along with how fair value was determined is as follows:

	Level 3	Total
Balance, June 30, 2014	$ (174,488)	$ (174,488)
Change in value of interest rate swap	44,063	44,063
Balance, June 30, 2015	$ (130,425)	$ (130,425)

Fair value for the interest rate swap was provided by Wells Fargo Bank whose valuation techniques included assumptions concerning interest rates, credit rates, discount rates, and other factors. The valuation provided by Wells Fargo Bank is management's best estimate of the fair value of the swap. If an early termination were to occur under this agreement, the amount payable by the Organization may differ materially from the value shown above.

The fair value of the Organization's other financial instruments, including accounts receivable, notes receivable, accounts payable and accrued liabilities, and notes payable approximates their carrying amounts, either because the expected collection or payment period is relatively short, or because the terms of the instruments are similar to market terms.

23. Subsequent Events

Management has evaluated subsequent events through January 29, 2016, the date the consolidated financial statements were available for issue.

In August 2015, the Organization sold certain land for $1,100,000, resulting in a gain of approximately $899,000.

As part of the sale agreement, the Organization was required to reinvest $550,000 of the proceeds into the 1st and Arthur Limited Partnership, and maintain a $375,000 holdback in escrow to cover any hospitalizations from the Crisis Assessment and Treatment Center.

In December 2015, the Organization purchased property for $1,250,000, and utilized the proceeds of a new note payable of $937,500 to facilitate this purchase.

CENTRAL CITY CONCERN
AND
OTHER ENTITIES

Supplementary Financial Information

CENTRAL CITY CONCERN AND OTHER ENTITIES

Consolidated Schedule of Unrestricted Functional Revenues, Support, and Expenses

Year Ended June 30, 2015 *(With Comparative Totals for 2014)*

	Health and Recovery	Supportive Housing	Housing Management	Employment and Social Enterprises	Total Programs	Eliminating Entries	Administration	Fundraising	Total 2015	Total 2014
Revenue and support:										
Health and chemical dependency services:										
Patient service revenue (net of contractual allowances and discounts)	$ 22,813,216	$ -	$ 52,312	$ 68,540	$ 22,934,068	$ -	$ -	$ -	$ 22,934,068	$ 16,457,137
Provision for bad debts	(163,141)	-	-	-	(163,141)	-	-	-	(163,141)	(254,102)
Net patient service revenue	22,650,075	-	52,312	68,540	22,770,927	-	-	-	22,770,927	16,203,035
Premium and incentive revenue	3,241,802	-	-	-	3,241,802	-	13,223	-	3,255,025	805,590
Health and chemical dependency services - net	25,891,877	-	52,312	68,540	26,012,729	-	13,223	-	26,025,952	17,008,625
Contract and government funding	15,618,689	5,203,558	686,634	603,256	22,112,137	-	13,154	-	22,125,291	20,832,283
Donations, grants, and special events	426,828	11,534	-	142,477	580,839	-	6,920	646,864	1,234,623	1,153,224
Rental income	5,525	61,812	3,431,276	-	3,498,613	(274,939)	25,476	-	3,249,150	3,076,905
Management and development fees	-	-	-	-	-	-	475,073	-	475,073	453,252
Social enterprises	-	-	-	1,885,879	1,885,879	-	-	-	1,885,879	1,740,429
Interest	-	-	148	-	148	-	1,059,578	-	1,059,726	1,041,035
Other	313,325	427,963	4,340,948	110,581	5,192,817	(3,609,431)	121,330	15	1,704,731	1,680,171
	42,256,244	5,704,867	8,511,318	2,810,733	59,283,162	(3,884,370)	1,714,754	646,879	57,760,425	46,985,924
Net assets released from restrictions	42,848	-	106,106	34,633	183,587	-	481,922	7,500	673,009	672,973
Net revenue and support (carried forward)	**42,299,092**	**5,704,867**	**8,617,424**	**2,845,366**	**59,466,749**	**(3,884,370)**	**2,196,676**	**654,379**	**58,433,434**	**47,658,897**

CENTRAL CITY CONCERN AND OTHER ENTITIES

Consolidated Schedule of Unrestricted Functional Revenues, Support, and Expenses - Continued

Year Ended June 30, 2015 *(With Comparative Totals for 2014)*

	Health and Recovery	Supportive Housing	Housing Management	Employment and Social Enterprises	Total Programs	Eliminating Entries	Administration	Fundraising	Total 2015	Total 2014
Net revenue and support (brought forward)	**$ 42,299,092**	**$ 5,704,867**	**$ 8,617,424**	**$ 2,845,366**	**$ 59,466,749**	**$ (3,884,370)**	**$ 2,196,676**	**$ 654,379**	**$ 58,433,434**	**$ 47,658,897**
Operating expenses:										
Salaries	16,341,312	1,699,667	2,215,106	1,385,507	21,641,592	-	4,212,976	253,307	26,107,875	22,661,566
Payroll taxes and benefits	4,577,009	540,611	763,670	431,864	6,313,154	-	1,289,358	72,560	7,675,072	6,871,161
Rent	1,110,394	25,705	286,845	131,025	1,553,969	(1,226,115)	150,196	-	478,050	458,618
Insurance	105,415	5,468	187,948	6,603	305,434	-	51,711	851	357,996	323,302
Property taxes	-	-	19,331	-	19,331	-	-	-	19,331	85,346
Utilities	296,159	9,171	679,359	24,615	1,009,304	-	17,715	33	1,027,052	966,384
Repairs and maintenance supplies	497,666	29,711	853,880	181,059	1,562,316	(353,639)	238,887	2,173	1,449,737	1,171,044
Medical services and supplies	2,844,549	22,133	76	392	2,867,150	-	40,010	-	2,907,160	2,101,123
Program expenses	1,214,710	2,696,243	20,696	59,096	3,990,745	(1,319,779)	9,791	28,351	2,709,108	2,342,180
Office supplies and postage	135,107	10,398	15,210	96,955	257,670	-	28,722	32,331	318,723	281,406
Telephone	107,534	29,267	33,737	19,627	190,165	-	30,102	270	220,537	241,150
Travel	42,156	5,596	2,842	16,640	67,234	-	32,068	1,093	100,395	84,541
Contract services	1,331,475	235,133	196,234	98,854	1,861,696	(511,966)	591,540	61,904	2,003,174	1,863,569
Laundry and food	356,776	5,254	16,659	5,463	384,152	-	12,358	788	397,298	405,267
Vehicle	130,930	24,517	61,858	85,350	302,655	-	12,277	-	314,932	314,414
Client transportation	84,337	21,630	-	13,385	119,352	-	-	-	119,352	75,615
Interest	-	-	909,146	-	909,146	-	342,860	-	1,252,006	1,254,301
Legal	15,692	-	8,702	4,756	29,150	-	27,224	-	56,374	35,323
Printing	13,245	1,025	1,604	4,321	20,195	-	11,177	5,984	37,356	38,034
Other	41,520	38,977	547,641	20,895	649,033	(472,871)	155,570	23,932	355,664	308,516
Total operating expenses before depreciation and amortization	29,245,986	5,400,506	6,820,544	2,586,407	44,053,443	(3,884,370)	7,254,542	483,577	47,907,192	41,882,860
Depreciation and amortization	251,288	4,099	2,133,743	10,115	2,399,245	-	79,360	-	2,478,605	2,427,722
Total operating expenses before reallocation of indirect costs	29,497,274	5,404,605	8,954,287	2,596,522	46,452,688	(3,884,370)	7,333,902	483,577	50,385,797	44,310,582
Reallocation of indirect costs	3,542,453	445,597	463,607	323,851	4,775,508	-	(4,775,508)	-	-	-
Total net operating expenses	**33,039,727**	**5,850,202**	**9,417,894**	**2,920,373**	**51,228,196**	**(3,884,370)**	**2,558,394**	**483,577**	**50,385,797**	**44,310,582**
Excess (deficiency) of revenue and support over operating expenses	**$ 9,259,365**	**$ (145,335)**	**$ (800,470)**	**$ (75,007)**	**$ 8,238,553**	**$ -**	**$ (361,718)**	**$ 170,802**	**$ 8,047,637**	**$ 3,348,315**