CENTRAL CITY CONCERN

HOMES HEALTH JOBS

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2016

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, 2016, 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; 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 financial statements of certain limited partnerships (with the exception of Miracles Central Apartments Limited Partnership, Town Center Greens Limited Partnership, and 1st and Arthur 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 $2,868,001 as of December 31, 2015 (the date of the most recently available audited consolidated financial statements), and the equity in net loss in these limited partnerships was $149 for the year then ended. The 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 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, 2016, and the changes in their consolidated net assets and their consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 43 and 44 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 2015 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated January 29, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, 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 18, 2017, 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
February 15, 2017

CENTRAL CITY CONCERN AND OTHER ENTITIES

Consolidated Statement of Financial Position

June 30, 2016 *(With Comparative Amounts for 2015)*	**2016**	**2015**
ASSETS		
Cash and cash equivalents	$ 10,550,213	$ 12,323,051
Certificates of deposit	1,501,374	2,000,873
Accounts receivable - net *(Note 3)*	18,571,079	13,291,223
Prepaid expenses, deposits, and other assets	345,222	636,466
Due from managed properties *(Note 4)*	308,999	324,435
Notes receivable *(Note 5)*	43,410,024	35,867,394
Intangible assets - net *(Note 6)*	1,447,934	1,581,827
Assets limited as to use *(Note 20)*	3,883,193	3,208,258
Investments in limited partnerships *(Note 7)*	2,893,201	2,868,250
Partnership pre-development activity *(Notes 8 and 14)*	2,690,201	3,103,723
Property and equipment - net *(Notes 9, 12, and 14)*	54,253,229	54,490,573
Total assets	**$ 139,854,669**	**$ 129,696,073**
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and other accrued liabilities	$ 1,486,628	$ 1,759,572
Salaries and employee benefits payable *(Note 20)*	3,778,140	2,869,285
Deferred revenue and deposits	883,475	693,306
Accrued interest *(Note 11)*	1,990,475	1,877,344
Capital lease obligations *(Note 12)*	133,024	169,073
Interest rate swap *(Notes 13 and 22)*	87,671	130,425
Notes payable *(Note 14)*	68,438,678	67,643,228
Total liabilities	**76,798,091**	**75,142,233**
Commitments and contingencies *(Notes 5, 10, 14, 15, 16, and 20)*		
Net assets:		
Unrestricted	36,715,221	29,720,022
Temporarily restricted *(Note 17)*	26,341,357	24,833,818
Total net assets	**63,056,578**	**54,553,840**
Total liabilities and net assets	**$ 139,854,669**	**$ 129,696,073**

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

CENTRAL CITY CONCERN AND OTHER ENTITIES

Consolidated Statement of Activities and Changes in Net Assets

Year Ended June 30, 2016 *(With Comparative Totals for 2015)*

	Unrestricted	Temporarily Restricted	Total 2016	Total 2015
Revenue and support:				
Health and chemical dependency services:				
Patient service revenue (net of contractual allowances and discounts) *(Note 2)*	$ 27,817,615	$ -	$ 27,817,615	$ 23,005,519
Provision for bad debts	(253,630)	-	(253,630)	(163,141)
Net patient service revenue	27,563,985	-	27,563,985	22,842,378
Premium and incentive revenue	3,699,449	-	3,699,449	3,255,025
Health and chemical dependency services - net	31,263,434	-	31,263,434	26,097,403
Contract and government funding *(Note 19)*	24,436,384	-	24,436,384	22,196,663
Donations, grants, and special events	1,391,092	676,929	2,068,021	1,645,994
Rental income	3,307,791	-	3,307,791	3,249,150
Management and development fees	761,120	-	761,120	475,073
Social enterprises	1,950,458	-	1,950,458	1,978,091
Interest	1,214,273	-	1,214,273	1,059,726
Other	1,519,107	-	1,519,107	1,469,696
	65,843,659	676,929	66,520,588	58,171,796
Net assets released from restrictions *(Note 18)*	570,390	(570,390)	-	-
Net revenue and support	**66,414,049**	**106,539**	**66,520,588**	**58,171,796**
Operating expenses:				
Health and recovery	31,283,865	-	31,283,865	27,371,001
Supportive housing	8,126,700	-	8,126,700	4,819,643
Housing management	8,471,968	-	8,471,968	8,025,959
Employment and social enterprises	2,849,456	-	2,849,456	2,527,842
Administration	9,140,840	-	9,140,840	7,157,775
Fundraising	486,870	-	486,870	483,577
Total operating expenses	**60,359,699**	**-**	**60,359,699**	**50,385,797**
Excess of revenue and support over operating expenses	6,054,350	106,539	6,160,889	7,785,999
Non-operating activities:				
Capital grants	-	1,401,000	1,401,000	964,314
Change in value of interest rate swap *(Notes 13 and 22)*	42,754	-	42,754	44,063
Other gains and (losses) *(Note 9)*	898,244	-	898,244	(1,896)
Equity in losses of limited partnerships	(149)	-	(149)	(174)
Change in net assets	**6,995,199**	**1,507,539**	**8,502,738**	**8,792,306**
Net assets, beginning of year	29,720,022	24,833,818	54,553,840	45,761,534
Net assets, end of year	**$ 36,715,221**	**$ 26,341,357**	**$ 63,056,578**	**$ 54,553,840**

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

CENTRAL CITY CONCERN AND OTHER ENTITIES

Consolidated Statement of Functional Expenses

Year Ended June 30, 2016 *(With Comparative Totals for 2015)*

	Program Services					Supporting Services			Total	
	Health and Recovery	Supportive Housing	Housing Management	Employment and Social Enterprises	Total	Administration	Fundraising	Total	2016	2015
Operating expenses:										
Salaries	$ 18,559,322	$ 3,225,643	$ 2,391,322	$ 1,635,527	$ 25,811,814	$ 5,053,517	$ 270,037	$ 5,323,554	$ 31,135,368	$ 26,107,875
Payroll taxes and benefits	5,120,322	992,288	787,369	493,486	7,393,465	1,508,705	69,007	1,577,712	8,971,177	7,675,072
Rent	224,960	11,219	234,676	91,027	561,882	6,938	-	6,938	568,820	478,050
Insurance	117,023	8,712	206,156	14,239	346,130	67,755	747	68,502	414,632	357,996
Property taxes	-	-	22,041	-	22,041	11,210	-	11,210	33,251	19,331
Utilities	322,579	8,526	714,418	41,447	1,086,970	21,918	98	22,016	1,108,986	1,027,052
Repairs and maintenance supplies	572,101	62,913	614,695	160,374	1,410,083	679,031	3,741	682,772	2,092,855	1,449,737
Medical services and supplies	3,887,094	34,545	247	187	3,922,073	1,763	-	1,763	3,923,836	2,907,160
Program expenses	180,835	2,728,382	97,183	74,799	3,081,199	5,491	23,241	28,732	3,109,931	2,709,108
Office supplies and postage	154,968	22,982	14,488	93,857	286,295	39,111	11,272	50,383	336,678	318,723
Telephone	109,611	44,503	35,607	22,918	212,639	30,882	-	30,882	243,521	220,537
Travel	90,228	13,245	6,555	23,375	133,403	61,146	37	61,183	194,586	100,395
Contract services	940,621	830,718	111,626	64,938	1,947,903	1,027,937	63,993	1,091,930	3,039,833	2,003,174
Laundry and food	404,358	10,990	14,588	5,539	435,475	3,862	125	3,987	439,462	397,298
Vehicle	107,078	56,036	57,857	72,488	293,459	10,841	-	10,841	304,300	314,932
Client transportation	77,680	26,977	-	7,220	111,877	83	-	83	111,960	119,352
Interest	-	-	898,701	-	898,701	326,154	-	326,154	1,224,855	1,252,006
Legal	25,582	7,498	24,823	1,557	59,460	28,073	-	28,073	87,533	56,374
Printing	20,698	4,474	3,676	3,528	32,376	16,296	37,134	53,430	85,806	37,356
Other	67,391	35,114	104,321	28,230	235,056	149,538	7,438	156,976	392,032	355,664
Total operating expenses before depreciation and amortization	30,982,451	8,124,765	6,340,349	2,834,736	48,282,301	9,050,251	486,870	9,537,121	57,819,422	47,907,192
Depreciation and amortization	301,414	1,935	2,131,619	14,720	2,449,688	90,589	-	90,589	2,540,277	2,478,605
Total operating expenses	**$ 31,283,865**	**$ 8,126,700**	**$ 8,471,968**	**$ 2,849,456**	**$ 50,731,989**	**$ 9,140,840**	**$ 486,870**	**$ 9,627,710**	**$ 60,359,699**	**$ 50,385,797**

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

CENTRAL CITY CONCERN AND OTHER ENTITIES

Consolidated Statement of Cash Flows

Year Ended June 30, 2016 *(With Comparative Totals for 2015)*	**2016**	**2015**
Cash flows from operating activities:		
Change in net assets	$ 8,502,738	$ 8,792,306
Adjustments to change in net assets to net cash provided by operating activities:		
Equity in losses of limited partnerships	149	174
Depreciation and amortization	2,540,277	2,478,605
Other (gains) losses	(898,244)	1,896
Notes payable forgiven	(142,857)	(142,857)
Change in value of interest rate swap	(42,754)	(44,063)
Accrued interest added to principal balance of note receivable	(907,385)	(875,029)
Contribution of equipment	-	(96,413)
Contributions restricted for long-term purposes	(1,401,000)	(964,314)
Change in operating assets and liabilities:		
Accounts receivable - net	(5,279,856)	(2,934,128)
Prepaid expenses, deposits, and other assets	291,244	(265,041)
Due from managed properties	15,436	(37,398)
Accounts payable and accrued liabilities	(272,944)	672,168
Salaries and employee benefits payable	908,855	445,510
Deferred revenue and deposits	190,169	(5,225)
Accrued interest	113,131	61,364
Net cash provided by operating activities	**3,616,959**	**7,087,555**
Cash flows from investing activities:		
Purchase of certificates of deposit	-	(2,000,873)
Proceeds from redemption of certificates of deposit	499,499	-
Issuance of notes receivable	(3,416,795)	(250,000)
Payments on outstanding notes receivable	399,044	399,045
Investment in limited partnership	(25,100)	(100)
Additions to property, equipment, and partnership pre-development activity	(4,109,798)	(1,681,849)
Proceeds from sale of property and equipment	1,099,419	-
Change in assets limited as to use	(674,935)	(1,225,217)
Net cash used by investing activities	**(6,228,666)**	**(4,758,994)**
Carried forward	**(2,611,707)**	**2,328,561**

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

CENTRAL CITY CONCERN AND OTHER ENTITIES

Consolidated Statement of Cash Flows - Continued

Year Ended June 30, 2016 *(With Comparative Totals for 2015)*	**2016**	**2015**
Brought forward	**$ (2,611,707)**	**$ 2,328,561**
Cash flows from financing activities:		
Additions to intangibles - loan fees	(3,831)	-
Proceeds from notes payable	-	2,094,766
Payments of capital lease obligations and notes payable	(558,300)	(1,593,234)
Proceeds from contributions restricted for long-term purposes	1,401,000	964,314
Net cash provided by financing activities	**838,869**	**1,465,846**
Net change in cash and cash equivalents	**(1,772,838)**	**3,794,407**
Cash and cash equivalents, beginning of year	12,323,051	8,528,644
Cash and cash equivalents, end of year	**$ 10,550,213**	**$ 12,323,051**
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 1,111,724	$ 1,190,642
Cash refunded from income taxes	-	58,532
Supplemental disclosures of noncash investing and financing activities:		
Equipment financed through capital leases	$ 44,580	$ 65,881
Property financed through issuance of notes payable	1,415,978	2,507,446
Accounts receivable exchanged for investment in limited partnership	-	106,021
Partnership pre-development activity exchanged for notes receivable	3,617,494	-

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

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-1st and Arthur LLC, CCC NE 2nd LLC, and CCC-Administrative GP (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. 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.

Imani Center - Provides culturally specific and responsive Afrocentric approaches to mental health and addictions treatment, peer support, and case management.

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.

1. Nature of Activities - Continued

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

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.

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1. Nature of Activities - Continued

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

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 & Health Outreach Partnership Efforts (HOPE) Collaborative - A permanent supportive housing program that uses the Housing First model to place individuals in housing while supporting them as they gain self-sufficiency at their request. CCC works with several local nonprofit organizations to connect people to services and permanent housing within the network of agencies.

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).

2. Summary of Significant Accounting Policies - Continued

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.

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, support, gains (losses), 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.

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 March 2017. 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 payors to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payors 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 $352,397 and $249,482 at June 30, 2016 and 2015, respectively. The increase relates primarily to an increase in gross accounts receivable.

For contact and government funding 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 $2,402,553 for the year ended June 30, 2016.

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 payors are as follows:

	2016	2015
Estimated third-party payor settlements	$ 8,163,641	$ 6,659,477
Medicaid	14,710,747	12,147,418
Medicare	4,294,111	3,406,321
Third-party payors	551,058	608,241
Self-pay patients	98,058	184,062
	$ 27,817,615	$ 23,005,519

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.

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 $1,221,000 for the year ended June 30, 2016. There were no significant changes in the Organization's charity care policy during the year ended June 30, 2016.

2. Summary of Significant Accounting Policies - Continued

Contribution Recognition - Donations, 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 donations whose restrictions are met in the same fiscal year as unrestricted donations.

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 donations 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 donations 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.

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 $265,000 for the year ended June 30, 2016, and these amounts are included as a component of donations, grants, and special events in the accompanying consolidated statements of activities and changes in net assets.

2. Summary of Significant Accounting Policies - Continued

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, 2016.

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, 2016.

Advertising - The Organization expenses advertising as it is incurred. Advertising expense for the year ended June 30, 2016 was approximately $15,000.

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.

Summarized Financial Information for 2015 - 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, 2015, from which the summarized financial information was derived.

Reclassifications - Certain reclassifications have been made to the 2015 information to conform with the 2016 presentation.

3. Accounts Receivable - Net

Accounts receivable consist of the following at June 30:

	2016	2015
Health and chemical dependency services:		
Estimated third-party payor settlements	$ 10,132,066	$ 7,194,859
Medicaid	2,331,074	1,569,451
Medicare	178,217	146,702
Third-party payors	944,979	521,950
Self-pay patients	31,375	11,291
Pharmacy and incentive	399,072	303,891
Total health and chemical dependency services	14,016,783	9,748,144
Contracts and government funding and other services	2,607,361	2,313,336
Accrued interest	1,101,736	839,057
Other receivables	1,216,479	665,800
Allowance for doubtful accounts	(371,280)	(275,114)
	$ 18,571,079	$ 13,291,223

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 $377,216 at June 30, 2016.

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:

	2016	**2015**
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

	2016	**2015**
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.	8,235,684	8,018,037
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.	19,738,401	19,464,147
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.	266,440	250,000
Carried forward	36,375,735	35,867,394

5. Notes Receivable - Continued

	2016	2015
Brought forward	$ 36,375,735	$ 35,867,394
Note receivable from Town Center Greens 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 July 30, 2045.	1,300,000	-
Note receivable from Town Center Greens Limited Partnership, secured by a deed of trust. Principal payments are due based on available cash flow as defined in the note agreement. The first $1,000,000 is due no later than December 31, 2044 with the remaining balance due no later than December 31, 2070.	1,500,000	-
Note receivable from Town Center Greens Limited Partnership, secured by a deed of trust, accrues interest at 4.75 percent per annum. Principal and interest payments are due based on available cash flow asdefined in the note agreement. The note is due no later than July 30, 2071.	1,810,552	-
Note receivable from Town Center Greens Limited Partnership, secured by a deed of trust, accrues interest at 3.5 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 July 30, 2071.	180,000	-
Two notes receivable from 1st and Arthur Limited Partnership, secured by a deed of trust. Principal payments are due based on available cash flow as defined in the note agreement. The notes are due no later than May 30, 2062.	163,048	-
Carried forward	41,329,335	35,867,394

5. Notes Receivable - Continued

	2016	2015
Brought forward	$ 41,329,335	$ 35,867,394
Note receivable from 1st and Arthur Limited Partnership, secured by a deed of trust. Principal payments are due based on available cash flow as defined in the note agreement. The note is due no later than May 31, 2062.	2,080,689	-
	$ 43,410,024	$ 35,867,394

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. The Organization exercised the put and call option for the Rose Quarter Condo B transaction on July 1, 2016 *(Note 23)*.

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:

	2016	2015
Transaction costs - NMTC financing	$ 797,555	$ 797,555
Goodwill - Eastside Concern	1,087,033	1,087,033
Loan fees	180,627	176,796
Patent	130,000	130,000
	2,195,215	2,191,384
Less accumulated amortization	(747,281)	(609,557)
	$ 1,447,934	$ 1,581,827

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, 2016, 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 the patent is as follows:

Years Ending June 30,	Amount
2017	$ 126,720
2018	94,657
2019	48,341
2020	15,161
2021	7,734
Thereafter	68,288
	$ 360,901

Amortization expense for the year ended June 30, 2016, totaled $137,724 and is included in depreciation and amortization expense in the accompanying consolidated statements 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 2016	Capital Accounts 2015
Estate Limited Partnership	0.01%	$ 849,532	$ 849,569
Rose Quarter Condo A Limited Partnership	0.01	535	559
Chez Ami Limited Partnership	0.01	278,846	278,848
8 NW 8th Limited Partnership	0.01	999,430	999,468
Biltmore Associates Limited Partnership	0.01	640,839	640,855
Hotel Alder Limited Partnership	0.01	98,819	98,851
Miracles Central Apartments Limted Partnership	0.01	100	100
Town Center Greens Limited Partnership	0.01	100	-
1st and Arthur Limited Partnership	0.01	25,000	-
		$ 2,893,201	$ 2,868,250

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 partnerships 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, Town Center Greens Limited Partnership, and 1st and Arthur Limited Partnership) at December 31, 2015, 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	$ 11,092,175	$ 11,232,889	$ 1,351,851	$ 10,477,218	$ 3,795,372	$ 6,646,081
Required reserves	1,135,226	1,073,077	186,415	1,004,691	314,071	586,276
Other assets	693,870	580,437	252,073	331,875	32,301	341,864
Total assets	$ 12,921,271	$ 12,886,403	$ 1,790,339	$ 11,813,784	$ 4,141,744	$ 7,574,221
Long-term debt	$ 7,436,601	$ 6,903,170	$ 781,810	$ 11,994,015	$ 2,076,720	$ 3,560,043
Other liabilities	267,882	472,273	414,554	175,954	366,376	92,984
Partners' equity	5,216,788	5,510,960	593,975	(356,185)	1,698,648	3,921,194
Total liabilities and partners' equity	$ 12,921,271	$ 12,886,403	$ 1,790,339	$ 11,813,784	$ 4,141,744	$ 7,574,221
Revenues	$ 1,149,936	$ 957,615	$ 314,047	$ 1,334,159	$ 551,380	$ 532,071
Expenses	1,469,273	1,196,999	337,526	1,719,008	714,587	842,066
Net loss	$ (319,337)	$ (239,384)	$ (23,479)	$ (384,849)	$ (163,207)	$ (309,995)

During the years ended June 30, 2016 and 2015, Miracles Central Apartments Limited Partnership, Town Center Greens Limited Partnership, and 1st and Arthur Limited Partnership were created to develop and operate low-income housing facilities. As of June 30, 2016, funding from outside sources had been received, however development of the housing facilities had not yet begun or was not completed and the partnerships had incurred minimal expenses. Therefore, summarized financial information for these partnerships are not presented.

8. Partnership Pre-Development Activity

As of June 30, 2016, CCC was in the process of creating three additional limited partnerships (Interstate Apartments, Stark Street Apartments, and Eastside Integrated Housing and Services Campus). At June 30, 2016, 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, 2016.

During the year ended June 30, 2016, CCC acquired land and incurred various pre-development costs related to these projects totaling $2,690,201. When additional members are admitted into these entities, 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:

	2016	**2015**
Land	$ 7,924,278	$ 7,301,282
Buildings and leasehold improvements	60,036,185	58,786,774
Equipment and furniture	3,373,262	3,284,672
	71,333,725	69,372,728
Less accumulated depreciation and amortization	(17,326,001)	(15,091,726)
	54,007,724	54,281,002
Predevelopment costs	245,505	209,571
	$ 54,253,229	$ 54,490,573

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.

A portion of the Organization's property and equipment was purchased with Federal grant revenues. As such, the title to these assets would revert to the Federal government in the event the Organization ceased to operate as a community health center and the Federal government wanted these assets. The Organization's management believes the likelihood of this occurring is remote.

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 May 15, 2017. 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 (3.22 and 3.47 percent, respectively at June 30, 2016). At June 30, 2016, there were no outstanding borrowings.

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

11. Accrued Interest

Accrued interest consists of the following at June 30:

	2016	2015
Portland Housing Bureau secured by the Medford Building	$ 259,757	$ 259,757
Portland Housing Bureau secured by the Shoreline Building	1,444,120	1,382,447
Wells Fargo CDE Subsidiary III, LLC secured by the Hooper Building and Old Town Recovery Center	199,522	199,522
Other	87,076	35,618
	$ 1,990,475	$ 1,877,344

12. Capital Lease Obligations

The Organization leases equipment under capital lease agreements that expire through May 2020. The equipment was capitalized at $421,176, which represents the present value of the minimum lease payments when the leases originated. Accumulated amortization expense was $288,152 at June 30, 2016. 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, 2016:

Years Ending June 30,	Amount
2017	$ 64,467
2018	47,114
2019	26,670
2020	7,592
	145,843
Less amount representing interest	(12,819)
Present value of future minimum lease payments	$ 133,024

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 terminates in October 2017. The interest rate swap liability totaled $87,671 at June 30, 2016. 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, 2016, does not represent a right to cash that is currently payable.

14. Notes Payable

Notes payable consist of the following at June 30:

	2016	**2015**
Notes payable with a maturity date:		
Note payable to CFG III, LLC, bearing interest at 1.9029 percent per annum, due July 2016. Quarterly interest payments are due through the maturity date of the note, when all outstanding principal and interest will be due. Secured by Rose Quarter Condo B and certain assets limited as to use.	$ 324,759	$ 324,759
Note payable to NCIF New Markets Capital Fund II CDE, LLC, bearing interest at 1.9029 percent per annum, due July 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. Secured by Rose Quarter Condo B and certain assets limited as to use.	497,444	497,444
Note payable to the Calvert Social Investment Foundation, interest only payments due semi-annually at 4.5 percent, due March 2017.	1,500,000	1,500,000
Note payable to Wells Fargo Bank, bearing interest at a variable rate (approximately 2.2 percent at June 30, 2016), 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, 2016, was approximately 3.7 percent. Monthly principal payments of $21,000 plus interest are due through the maturity date of the note. Secured by a deed of trust and assignment of rent agreements on the Hooper Building.	5,144,865	5,396,865
Note payable to Meyer Memorial Trust, bearing interest at 1.75 percent per annum, due September 2019. Quarterly interest payments are currently due with all unpaid principal and interest due at the maturity date of the note. Secured by substantially all assets of the Organization.	1,500,000	1,500,000
Carried forward	8,967,068	9,219,068

14. Notes Payable - Continued

	2016	**2015**
Brought forward	$ 8,967,068	$ 9,219,068
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, due February 2040. Secured by a deed of trust and assignment of rent agreements on the Hatfield, Medford, and Sally McCracken Buildings.	4,065,331	4,152,482
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. Secured by a deed of trust and assignment of rent agreements on the Shoreline Building.	650,900	650,900
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 the Portland Housing Bureau, non-interest bearing, due February 2021, secured by the Sally McCracken Building.	1,383,828	1,383,828
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. 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 Community Development Corporation, bearing interest at 2 percent per annum, interest only payments due quarterly, unsecured, due June 2022.	250,000	250,000
Carried forward	16,972,015	17,311,166

14. Notes Payable - Continued

	2016	**2015**
Brought forward	$ 16,972,015	$ 17,311,166
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. Secured by the Eastside Concern Building.	270,712	279,045
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 Portland Housing Bureau, non-interest bearing, due April 2029. A portion of principal may become 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. Secured by the Letty Owings Center,	70,076	70,076
Note payable to U.S. Bank, payable in monthly installments of $4,047 including interest at 7.56 percent per annum, due April 2031, secured by the Taggart Building and an assignment of its rents.	140,476	254,307
Note payable to Bank of the West, bearing interest at 4.62 percent per annum, monthly principal and interest payments of $6,022, due December 2035, secured by a trust deed and assignment of rent agreements on the 11 NW 5th Avenue Building.	922,143	-
Note payable to Clackamas County, non-interest bearing, due December 2044, or upon sale or transfer of the Town Center Courtyards Building. Secured by the Town Center Courtyards.	1,000,000	1,000,000
Carried forward	20,219,739	19,758,911

14. Notes Payable - Continued

	2016	2015
Brought forward	$ 20,219,739	$ 19,758,911
Two notes payable to Portland Housing Bureau, non-interest bearing, due September 2046, or upon the sale or transfer of the Medford Building. A portion of the principal may become due if excess cash flows are generated as defined by the note agreement. Secured by the Medford Building.	1,049,000	1,049,000
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
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
Total notes payable with a maturity date:	22,431,016	21,970,188
Notes payable with forgiveness provisions:		
Two notes payable to Portland Housing Bureau, non-interest bearing, 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. Secured by Rose Quarter Condo B.	5,000,000	5,000,000
Note payable to Portland Housing Bureau, non-interest bearing, due March 2017. The note will be converted to a grant in March 2017, if the Organization is not in default with the terms of the notes. Secured by Rose Quarter Condo B.	1,666,503	1,666,503
Carried forward	6,666,503	6,666,503

14. Notes Payable - Continued

	2016	2015
Brought forward	$ 6,666,503	$ 6,666,503
Note payable to the State of Oregon, non-interest bearing, 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. Secured by the Hooper Building.	285,715	428,572
Note payable to the State of Oregon, non-interest bearing, unsecured, due June 2032, principal reduced by $83 per month provided the Chez Ami facility exclusively houses persons with mental or emotional disorders.	16,501	17,500
Note payable to Clackamas County, non-interest bearing, due December 2044, or upon sale or transfer of the Town Center Courtyards Building. If the $1,000,000 note payable to Clackamas County (pg. 30) is paid prior to the maturity date, the balance of this note will be forgiven by the lender. Secured by the Town Center Courtyards.	500,000	421,522
Note payable to State of Oregon, non-interest bearing. 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. Secured by the Hill Park Apartments Building.	2,080,689	1,680,689
Total notes payable with forgiveness provisions:	9,549,408	9,214,786
Notes payable due only if collateral is sold or transferred:		
Note payable to Clackamas County, non-interest bearing, due on demand if the property is sold, transferred, the use is changed, or is no longer affordable to low-income tenants. Secured by the Chez Ami Building.	250,000	250,000
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
Carried forward	1,007,590	1,007,590

14. Notes Payable - Continued

	2016	2015
Brought forward	$ 1,007,590	$ 1,007,590
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
Note payable to the Portland Housing Bureau, non-interest bearing, due upon sale or transfer of the Rosewood Building, which is pledged as collateral.	937,000	937,000
Total notes payable due only if collateral is sold or transferred:	1,974,590	1,974,590
Notes payable related to NMTCs:		
Note payable to Wells Fargo CDE Subsidiary III, LLC, bearing interest at 1.6126 percent per annum, 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. Secured by a trust deed and assignment of rent agreements on the Hooper Building and Old Town Recovery Clinic.	18,087,000	18,087,000
Note payable to Wells Fargo CDE Subsidiary III, LLC, bearing interest at 1.6126 percent per annum, 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. Secured by a trust deed and assignment of rent agreements on the Hooper Building and Old Town Recovery Clinic.	6,659,000	6,659,000
Note payable to CFG III, LLC, bearing interest at 1.9029 percent per annum, 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. Secured by Rose Quarter Condo B and certain assets limited as to use.	2,402,504	2,402,504
Carried forward	27,148,504	27,148,504

14. Notes Payable - Continued

	2016	**2015**
Brought forward	$ 27,148,504	$ 27,148,504
Note payable to CFG III, LLC, bearing interest at 1.9029 percent per annum, 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. Secured by Rose Quarter Condo B and certain assets limited as to use.	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, 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. Secured by Rose Quarter Condo B and certain assets limited as to use.	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, 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. Secured by Rose Quarter Condo B and certain assets limited as to use.	2,211,423	2,211,423
Total notes payable related to NMTCs:	34,483,664	34,483,664
	$ 68,438,678	$ 67,643,228

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 NMTC financing.

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

14. Notes Payable - Continued

Minimum future payments due under these notes, notwithstanding forgiveness provisions, are as follows at June 30, 2016:

Years Ending June 30,	Amount
2017	$ 9,624,047
2018	5,575,354
2019	1,606,714
2020	7,280,606
2021	1,512,831
Thereafter	42,839,126
	$ 68,438,678

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, 2016:

11 NW 5th Avenue Building	$ 819,955
Butte Building	1,282,255
Eastside Concern Building	558,000
Hatfield Building	4,515,589
Hooper Building	4,903,362
Letty Owings Center	1,131,904
Medford Building	650,706
Old Town Recovery Center	17,091,848
Rose Quarter Condo B	7,828,092
Rosewood Building	1,731,294
Sally McCracken Building	3,503,753
Shoreline Building	1,699,077
Taggart Building	1,269,416
	$ 46,985,251

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 December 2025. The Organization is responsible for utilities, taxes, and insurance. Minimum rental commitments under these leases are as follows at June 30, 2016:

Years Ending June 30,	Amount
2017	$ 538,432
2018	554,186
2019	487,139
2020	329,239
2021	251,068
Thereafter	1,055,662
	$ 3,215,726

Rent expense totaled approximately $569,000 for the year ended June 30, 2016. Included in this amount was rent paid to related parties of approximately $296,000.

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.

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.

No amounts have been paid or are payable as of June 30, 2016, under the above commitments.

Approximately 25 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, 2019. The Organization's other workers are not represented by a union.

16. Contingencies

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 a medical malpractice claim under the program is subrogated to the United States.

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.

17. Temporarily Restricted Net Assets

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

	2016	**2015**
Grants for acquisition and renovation with use restrictions:		
Use restriction for 10 years, ending 2019 to 2023		
Rose Quarter Building, low-income housing	235,000	235,000
Hatfield Building, low-income housing	613,872	613,872
Taggart Manor Building, low-income housing	124,000	124,000
Rosewood Building, low-income housing	141,475	141,475
Use restriction for 15 years, ending 2018 and 2024		
Biltmore Building, low-income housing	385,000	385,000
Rose Quarter Building, affordable housing	400,000	400,000
Use restriction for 20 years, ending 2022		
Chez-Ami Building, low-income housing for people with mental health and additional diagnosis	400,000	400,000
Use restriction for 30 years, ending 2038 and 2039		
Rose Quarter Building, low-income housing	100,000	100,000
Rose Quarter Building, housing for people in recovery for alcohol and drug abuse	200,000	200,000
Use restriction for 60 years, ending 2062 to 2071		
Chez-Ami Building, low-income housing for people with mental health and additional diagnosis	200,000	200,000
Biltmore Building, low-income housing	100,000	100,000
Rose Quarter Building, low-income housing	700,000	700,000
Estate Building, low-income housing	558,690	558,690
Rose Quarter Building, homeless supportive housing	3,680,000	3,680,000
Butte Building, low-income housing	500,000	500,000
Use restriction for various terms, ending 2055 and 2059		
Rosewood Building, low-income housing for people with HIV/AIDS and their families	1,539,756	1,539,756
Hatfield Building, affordable housing for the extreme low-income	475,000	475,000
Total grants for acquisition and renovation with use restrictions	10,352,793	10,352,793
Carried forward	10,352,793	10,352,793

17. Temporarily Restricted Net Assets - Continued

	2016	**2015**
Brought forward	$ 10,352,793	$ 10,352,793
Grants for acquisitions and renovations, released over useful lives of buildings:		
Rose Quarter Building	954,691	991,867
Hooper Building	2,298,152	2,390,384
Old Town Recovery Center	8,174,313	8,494,321
Letty Owings Center	457,690	474,283
Laura's Place	258,508	263,639
Shoreline Building	96,413	96,413
Town Center Courtyards	2,021,401	480,401
Miracles Central Apartments	287,500	287,500
Hill Park Apartments	50,000	-
Golden West Hotel	150,000	-
Sally McCraken Building	50,000	-
Total grants for acquisitions and renovations released over useful lives of buildings	14,798,668	13,478,808
Note payable for $1,000,000 for the Hooper Building, balance is forgiven over the seven year term and recorded to temporarily restricted net assets, ending in September 2017. CCC is required to use the building for low-income housing for 30 years, ending in 2040.	714,285	571,428
Other time and purpose restrictions	172,843	198,154
Purpose restrictions	302,768	232,635
	$ 26,341,357	$ 24,833,818

18. Net Assets Released From Restrictions

During the year ended June 30, 2016, $570,390 of net assets were released from donor restrictions by incurring expenses or the occurrence of events specified by donors.

19. Contract and Government Funding

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

	2016	2015
Multnomah County	$ 13,269,536	$ 12,894,414
Direct Federal grants	4,976,735	3,792,038
City of Portland	4,097,052	3,479,371
State of Oregon	337,751	332,319
Other	1,755,310	1,698,521
	$ 24,436,384	$ 22,196,663

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 $1,338,000 for the year ended June 30, 2016.

The Organization maintains a 457(b) deferred compensation plan for certain eligible employees. At June 30, 2016, assets of $35,786 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 $18,286 for the year ended June 30, 2016.

21. Related-Party Transactions

Partnership management and tenant service fees of approximately $159,000, housing management fees of approximately $354,000, and developer fees of $227,000, were earned from the Limited Partnerships during the year ended June 30, 2016.

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.

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
Interest rate swap, June 30, 2015	$ (130,425)	$ (130,425)
Change in value of interest rate swap	42,754	42,754
Interest rate swap, June 30, 2016	$ (87,671)	$ (87,671)

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 February 15, 2017, the date the consolidated financial statements were available for issue.

In September 2016, the Organization was awarded $21.5 million in grants from six Oregon healthcare organizations (Adventis Health Portland, CareOregon, Kaiser Permanente Northwest, Legacy Health, OHSU, and Providence Health and Services Oregon) as part of a collaborative project, Housing is Healthcare. These grants include both conditional and unconditional funds. These grants will be used in a unique partnership between the Organization and the healthcare organization to respond to Portland's urgent challenges in affordable housing, homelessness, and healthcare. The grants will support 382 new housing units across three locations, including one with an integrated health center in Southeast Portland.

In July 2016, the Organization exercised its put and call option for the Rose Quarter Condo B NMTC transaction due to the end of the compliance period. The primary results of this transaction are as follows: a decrease of cash of approximately $850,000, forgiveness of notes receivable of approximately $8,200,000 and notes payable of approximately $9,740,000, payoff of notes payable of approximately $820,000, and a gain of approximately $1,520,000.

CENTRAL CITY CONCERN
AND
OTHER ENTITIES

Supplementary Financial Information

CENTRAL CITY CONCERN AND OTHER ENTITIES

Consolidated Schedules of Unrestricted Functional Revenues, Support, and Expenses

Year Ended June 30, 2016 *(With Comparative Totals for 2015)*

	Health and Recovery	Supportive Housing	Housing Management	Employment and Social Enterprises	Total Programs	Eliminating Entries	Administration	Fundraising	Total 2016	Total 2015
Revenue and support:										
Health and chemical dependency services:										
Patient service revenue (net of contractual allowances and discounts)	$ 27,433,884	$ -	$ 166,105	$ 217,626	$ 27,817,615	$ -	$ -	$ -	$ 27,817,615	$ 23,005,519
Provision for bad debts	(253,630)	-	-	-	(253,630)	-	-	-	(253,630)	(163,141)
Net patient service revenue	27,180,254	-	166,105	217,626	27,563,985	-	-	-	27,563,985	22,842,378
Premium and incentive revenue	3,699,449	-	-	-	3,699,449	-	-	-	3,699,449	3,255,025
Health and chemical dependency services - net	30,879,703	-	166,105	217,626	31,263,434	-	-	-	31,263,434	26,097,403
Contract and government funding	13,729,037	9,167,045	775,848	861,900	24,533,830	(103,693)	6,247	-	24,436,384	22,196,663
Donations, grants, and special events	391,778	111,687	127,246	56,325	687,036	-	19,175	684,881	1,391,092	1,234,623
Rental income	975	59,987	3,432,636	-	3,493,598	(212,302)	26,495	-	3,307,791	3,249,150
Management and development fees	-	-	-	-	-	-	761,120	-	761,120	475,073
Social enterprises	-	-	-	1,950,458	1,950,458	-	-	-	1,950,458	1,978,091
Interest	-	-	172	-	172	-	1,214,101	-	1,214,273	1,059,726
Other	247,529	436,960	4,558,938	13,559	5,256,986	(3,872,524)	134,645	-	1,519,107	1,469,696
	45,249,022	9,775,679	9,060,945	3,099,868	67,185,514	(4,188,519)	2,161,783	684,881	65,843,659	57,760,425
Net assets released from restrictions	28,339	3,598	72,908	21,098	125,943	-	441,947	2,500	570,390	673,009
Net revenue and support (carried forward)	**45,277,361**	**9,779,277**	**9,133,853**	**3,120,966**	**67,311,457**	**(4,188,519)**	**2,603,730**	**687,381**	**66,414,049**	**58,433,434**

CENTRAL CITY CONCERN AND OTHER ENTITIES

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

Year Ended June 30, 2016 *(With Comparative Totals for 2015)*

	Health and Recovery	Supportive Housing	Housing Management	Employment and Social Enterprises	Total Programs	Eliminating Entries	Administration	Fundraising	Total 2016	Total 2015
Net revenue and support (brought forward)	**$ 45,277,361**	**$ 9,779,277**	**$ 9,133,853**	**$ 3,120,966**	**$ 67,311,457**	**$ (4,188,519)**	**$ 2,603,730**	**$ 687,381**	**$ 66,414,049**	**$ 58,433,434**
Operating expenses:										
Salaries	18,559,322	3,225,643	2,391,322	1,635,527	25,811,814	-	5,053,517	270,037	31,135,368	26,107,875
Payroll taxes and benefits	5,120,322	992,288	787,369	493,486	7,393,465	-	1,508,705	69,007	8,971,177	7,675,072
Rent	1,169,220	76,597	294,967	139,766	1,680,550	(1,274,992)	163,262	-	568,820	478,050
Insurance	117,023	8,712	206,156	14,239	346,130	-	67,755	747	414,632	357,996
Property taxes	-	-	22,041	-	22,041	-	11,210	-	33,251	19,331
Utilities	322,579	8,526	714,418	41,447	1,086,970	-	21,918	98	1,108,986	1,027,052
Repairs and maintenance supplies	629,064	68,189	905,898	164,661	1,767,812	(365,358)	686,660	3,741	2,092,855	1,449,737
Medical services and supplies	3,887,094	34,545	247	187	3,922,073	-	1,763	-	3,923,836	2,907,160
Program expenses	928,269	3,587,230	34,270	74,799	4,624,568	(1,543,369)	5,491	23,241	3,109,931	2,709,108
Office supplies and postage	154,968	22,982	14,488	93,857	286,295	-	39,111	11,272	336,678	318,723
Telephone	109,611	44,503	35,607	22,918	212,639	-	30,882	-	243,521	220,537
Travel	90,228	13,245	6,555	23,375	133,403	-	61,146	37	194,586	100,395
Contract services	1,259,439	836,907	212,479	81,136	2,389,961	(473,643)	1,059,522	63,993	3,039,833	2,003,174
Laundry and food	404,358	10,990	14,588	5,539	435,475	-	3,862	125	439,462	397,298
Vehicle	107,078	56,036	57,857	72,488	293,459	-	10,841	-	304,300	314,932
Client transportation	77,680	26,977	-	7,220	111,877	-	83	-	111,960	119,352
Interest	-	-	898,701	-	898,701	-	326,154	-	1,224,855	1,252,006
Legal	25,582	7,498	24,823	1,557	59,460	-	28,073	-	87,533	56,374
Printing	20,698	4,474	3,676	3,528	32,376	-	16,296	37,134	85,806	37,356
Other	67,391	46,666	623,926	28,230	766,213	(531,157)	149,538	7,438	392,032	355,664
Total operating expenses before depreciation and amortization	33,049,926	9,072,008	7,249,388	2,903,960	52,275,282	(4,188,519)	9,245,789	486,870	57,819,422	47,907,192
Depreciation and amortization	301,414	1,935	2,131,619	14,720	2,449,688	-	90,589	-	2,540,277	2,478,605
Total operating expenses before reallocation of indirect costs	33,351,340	9,073,943	9,381,007	2,918,680	54,724,970	(4,188,519)	9,336,378	486,870	60,359,699	50,385,797
Reallocation of indirect costs	4,043,615	857,777	508,266	363,341	5,772,999	-	(5,772,999)	-	-	-
Total net operating expenses	**37,394,955**	**9,931,720**	**9,889,273**	**3,282,021**	**60,497,969**	**(4,188,519)**	**3,563,379**	**486,870**	**60,359,699**	**50,385,797**
Excess (deficiency) of revenue and support over operating expenses	**$ 7,882,406**	**$ (152,443)**	**$ (755,420)**	**$ (161,055)**	**$ 6,813,488**	**$ -**	**$ (959,649)**	**$ 200,511**	**$ 6,054,350**	**$ 8,047,637**