ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For the Years Ended September 30, 2017 and 2016

Jones & Roth
CPAs & Business Advisors

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
For the Years Ended September 30, 2017 and 2016

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Jones & Roth
CPAs & Business Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
St. Vincent de Paul Society of Lane County, Inc. and Subsidiaries
Eugene, Oregon

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of St. Vincent de Paul Society of Lane County, Inc. (a nonprofit organization) and subsidiaries, which comprise the consolidated statements of financial position as of September 30, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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 auditor's 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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> jrcpa.com

BEND 300 SW Columbia Street
Suite 201
Bend, OR 97702
phone (541) 382-3590
fax (541) 382-3587

EUGENE 260 Country Club Road
Eugene, OR 97401
phone (541) 687-2320
fax (541) 485-0960

HILLSBORO 5635 NE Elam Young Pkwy.
Suite 100
Hillsboro, OR 97124
phone (503) 648-0521
fax (503) 648-2692

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St. Vincent de Paul Society of Lane County, Inc. and subsidiaries as of September 30, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Also, the supplementary information, as listed in the table of contents, 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 audits 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2018 on our consideration of St. Vincent de Paul Society of Lane County, Inc. and subsidiaries' internal control over financial reporting and on our tests of its 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 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 St. Vincent de Paul Society Inc. and subsidiaries' internal control over financial reporting and compliance.

Jones & Roth, P.C.

Jones & Roth, P.C.
Eugene, Oregon
February 16, 2018

CONSOLIDATED FINANCIAL STATEMENTS

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2017 and 2016

	2017	2016
Assets		
Current assets		
Unrestricted cash and cash equivalents	$ 1,225,800	$ 1,013,105
Restricted cash and cash equivalents (Note 2)	4,050,371	3,695,945
Total cash and cash equivalents	5,276,171	4,709,050
Accounts receivable, net	2,466,546	977,367
Accounts receivable, related parties, net	268,485	378,857
Current portion of development fee receivable, related parties (Note 9)	-	515,000
Prepaid expenses	769,855	479,019
Inventory	4,593,489	4,092,143
Current portion of interest receivable, related parties	42,203	53,770
Total current assets	13,416,749	11,205,206
Fixed assets, net (Note 4)	42,412,728	37,892,763
Other assets		
Notes receivable, Rural Housing Rehabilitation Program (RHRP), net (Note 6)	2,663,913	2,567,642
Notes receivable, Self-help Homeownership Opportunity Program (SHOP)	330,685	296,972
Notes receivable, related parties, net (Note 9)	6,420,809	7,309,708
Notes receivable, other	40,000	-
Long-term portion of interest receivable, related parties, net (Note 9)	541,727	631,400
Development fees receivable, related parties, net (Note 9)	64,283	135,726
Assets held for sale (Note 5)	319,429	414,502
Investments (Note 3)	6,202,708	7,000,797
Beneficial interest in the net assets of related organization	4,893,789	4,893,789
Total other assets	21,477,343	23,250,536
Total assets	$ 77,306,820	$ 72,348,505

	2017	2016
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 894,716	$ 761,177
Payroll and related accruals	834,847	848,408
Security deposits payable	344,795	320,024
Deferred revenue	353,730	34,558
Accrued interest	59,243	51,228
Lines of credit (Note 7)	239,190	240,268
Current portion of long-term debt (Note 8)	1,848,421	990,237
Total current liabilities	4,574,942	3,245,900
Long-term liabilities		
Long-term debt, net of current portion and unamortized deferred financing costs (Note 8)	26,629,482	26,594,078
Total liabilities	31,204,424	29,839,978
Net assets		
Unrestricted	16,559,487	15,698,108
Temporarily restricted (Note 14)	29,542,909	26,810,419
Total net assets	46,102,396	42,508,527
Total liabilities and net assets	$ 77,306,820	$ 72,348,505

The accompanying notes are an integral part of these consolidated statements.

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2017 and 2016

	2017		
	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support			
Contributions	$ 279,112	$ 1,024,494	$ 1,303,606
Contributions, in-kind	2,261,546	-	2,261,546
Retail sales, net	18,424,421	-	18,424,421
Grants	-	7,449,241	7,449,241
Rent income	4,190,478	-	4,190,478
Contract services	2,978,075	-	2,978,075
Interest income on notes receivable	304,234	-	304,234
Gain (loss) on investments	6,194	-	6,194
Gain on sale of property	1,775,911	-	1,775,911
Management fees and partnership reimbursements	822,421	-	822,421
Developer fee income	264,473	-	264,473
Other	374,729	-	374,729
Net assets released from restrictions:			
Satisfaction of program restrictions	5,741,245	(5,741,245)	-
Total revenues, gains, and other support	37,422,839	2,732,490	40,155,329
Expenses			
General, manufacturing, retail, warehouses, and recycling	20,926,891	-	20,926,891
Housing	9,257,156	-	9,257,156
Services and training	4,061,859	-	4,061,859
Development	298,160	-	298,160
Management and general	2,017,394	-	2,017,394
Total expenses	36,561,460	-	36,561,460
Change in net assets	861,379	2,732,490	3,593,869
Net assets, beginning of year	15,698,108	26,810,419	42,508,527
Net assets, end of year	$ 16,559,487	$ 29,542,909	$ 46,102,396

2016		
Unrestricted	Temporarily Restricted	Total
$ 319,438	$ 792,463	$ 1,111,901
2,061,316	-	2,061,316
16,822,964	-	16,822,964
-	5,978,105	5,978,105
3,704,312	-	3,704,312
1,916,858	-	1,916,858
263,660	-	263,660
(5,729)	-	(5,729)
-	-	-
778,984	-	778,984
739,139	-	739,139
497,843	-	497,843
4,878,788	(4,878,788)	-
31,977,573	1,891,780	33,869,353
19,320,882	-	19,320,882
8,244,269	-	8,244,269
3,526,751	-	3,526,751
262,493	-	262,493
1,831,364	-	1,831,364
33,185,759	-	33,185,759
(1,208,186)	1,891,780	683,594
16,906,294	24,918,639	41,824,933
$ 15,698,108	$ 26,810,419	$ 42,508,527

The accompanying notes are an integral part of these consolidated statements.

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Change in net assets	$ 3,593,869	$ 683,594
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,780,240	1,658,054
Amortization of deferred financing costs	47,630	41,912
Net change in allowance for receivables	(16,804)	293,405
Net gain on disposal of fixed assets	(1,775,911)	(61,521)
Unrealized (gain) loss on investments	(6,194)	5,729
(Increase) decrease in:		
Accounts receivable	(1,490,477)	(176,465)
Accounts receivable, related parties	21,546	(150,916)
Advance receivable, related party	-	750,000
Prepaid expenses	(302,901)	64,549
Inventory	(501,346)	(410,934)
Development fee receivable, related parties	586,443	222,727
Interest receivable, related parties	194,403	(168,562)
Increase (decrease) in:		
Accounts payable and accrued expenses	119,746	125,727
Payroll and related accruals	(13,561)	(201,628)
Other liabilities	351,958	19,987
Net cash provided by operating activities	2,588,641	2,695,658
Cash flows from investing activities		
Purchase of fixed assets	(4,556,704)	(2,597,869)
Proceeds from sale of fixed assets	2,394,900	203,350
Purchase of investments	(126,167)	(325,913)
Proceeds from sale of investments	21,033	60,227
Proceeds from assumption of interest in limited partnerships	220,753	-
Proceeds from notes receivable, Rural Rehabilitation	194,468	63,019
Issuance of notes receivable, Rural Rehabilitation	(290,739)	(187,345)
Issuance of notes receivable, SHOP	(33,713)	(9,447)
Payments received on notes receivable, related parties	71,000	325,727
Issuance of notes receivable, related parties	(202,067)	(19,373)
Issuance of notes receivable, other	(40,000)	42,370
Proceeds from sale of assets held for sale	84,395	-
Net cash used by investing activities	(2,262,841)	(2,445,254)

	2017	2016
Cash flows from financing activities		
Payments on long-term debt	(3,711,739)	(1,630,623)
Proceeds from issuance of long-term debt	4,002,772	1,800,923
Net draws on line of credit	(1,078)	(12,861)
Payments of loan fees	(48,634)	-
Net cash provided by financing activities	241,321	157,439
Net increase in cash and cash equivalents	567,121	407,843
Cash and cash equivalents, beginning of year	4,709,050	4,301,207
Cash and cash equivalents, end of year	$ 5,276,171	$ 4,709,050
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 1,022,707	$ 897,572
Supplemental disclosure of noncash investing transactions		
Total acquisition of property and equipment	$ 6,908,539	$ (2,597,869)
Noncash assumption of property and equipment	(2,351,835)	-
Total cash paid for property and equipment	$ 4,556,704	$ (2,597,869)
Total increase to investments	$ 132,361	$ 315,295
Unrealized (gain) loss on investments	(6,194)	10,618
Net purchase of investments	$ 126,167	$ 325,913
Total sale or disposal of investments	$ 930,450	$ 60,227
Decrease due to transfer of interest in limited partnership	(909,417)	-
Net proceeds from sale of investments	$ 21,033	$ 60,227
Total reduction of notes receivable, related parties	$ 1,090,966	$ 172,309
Decrease in allowance for uncollectible notes receivable	-	153,418
Noncash payment due to transfer of interest in limited partnership	(1,019,966)	-
Total cash received from notes receivable, related parties	$ 71,000	$ 325,727
Supplemental disclosure of noncash financing transactions		
Total proceeds from issuance of long-term debt	$ 4,606,354	$ 1,800,923
Assumption of long-term debt	(603,582)	-
Total cash proceeds from issuance of long-term debt	$ 4,002,772	$ 1,800,923

The accompanying notes are an integral part of these consolidated statements.

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2017

	Program Services			
	General, Manufacturing, Retail, Warehouses, and Recycling	Housing	Services and Training	Total Program Services
Payroll	$ 10,559,128	$ 2,708,238	$ 1,249,610	$ 14,516,976
Payroll taxes and benefits	2,061,613	475,200	224,240	2,761,053
Purchases and handling	1,339,442	-	-	1,339,442
Utilities	975,516	708,887	168,048	1,852,451
Client assistance	225,147	1,177,818	652,743	2,055,708
Client assistance, in-kind food	-	-	1,315,038	1,315,038
Telephone	132,407	97,024	25,646	255,077
Repairs and maintenance	415,869	1,065,136	59,493	1,540,498
Supplies and office expenses	594,493	145,786	133,768	874,047
Rent	1,437,798	69,767	24,173	1,531,738
Insurance	187,904	170,781	63,697	422,382
Professional services	18,619	244,630	853	264,102
Licenses, taxes, and fees	624,523	161,454	8,258	794,235
Interest expense	468,603	490,483	86	959,172
Provision for loan loss and bad debt	38,516	327,199	11,025	376,740
Advertising	233,742	3,090	2,079	238,911
Travel, conferences, and meetings	363,644	82,107	27,865	473,616
Vehicles	475,411	36,941	21,703	534,055
Special events	-	-	-	-
Grants to others	75,363	-	-	75,363
Other costs	143,613	179,573	10,184	333,370
Total functional expenses before depreciation	20,371,351	8,144,114	3,998,509	32,513,974
Depreciation	555,540	1,113,042	63,350	1,731,932
Total functional expenses	$ 20,926,891	$ 9,257,156	$ 4,061,859	$ 34,245,906

Support Services			
Development	Management and General		Total Expenses
$ 185,469	$ 1,375,564		$ 16,078,009
29,957	261,127		3,052,137
-	-		1,339,442
1,116	84,925		1,938,492
-	-		2,055,708
-	-		1,315,038
2,693	11,748		269,518
-	-		1,540,498
23,484	50,730		948,261
-	125,026		1,656,764
-	16,340		438,722
-	42,932		307,034
-	-		794,235
-	694		959,866
-	-		376,740
-	-		238,911
-	-		473,616
-	-		534,055
55,441	-		55,441
-	-		75,363
-	-		333,370
298,160	1,969,086		34,781,220
-	48,308		1,780,240
$ 298,160	$ 2,017,394		$ 36,561,460

The accompanying notes are an integral part of these consolidated statements.

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2016

	Program Services			
	General, Manufacturing, Retail, Warehouses, and Recycling	Housing	Services and Training	Total Program Services
Payroll	$ 9,934,477	$ 2,375,482	$ 1,094,005	$ 13,403,964
Payroll taxes and benefits	1,812,855	386,183	194,540	2,393,578
Purchases and handling	876,400	-	47,932	924,332
Utilities	1,128,857	599,758	147,449	1,876,064
Client assistance	1,399	1,434,832	391,886	1,828,117
Client assistance, in-kind food	-	-	1,241,893	1,241,893
Telephone	109,312	87,549	20,397	217,258
Repairs and maintenance	422,518	589,553	75,414	1,087,485
Supplies and office expenses	627,993	117,696	76,745	822,434
Rent	1,278,319	37,417	27,991	1,343,727
Insurance	184,731	157,727	57,025	399,483
Professional services	231,372	184,457	10,064	425,893
Licenses, taxes and fees	449,456	205,529	3,916	658,901
Interest expense	515,628	428,608	2,051	946,287
Provision for loan loss and bad debt	7,180	255,225	-	262,405
Advertising	223,289	2,643	1,093	227,025
Travel, conferences, and meetings	371,661	81,953	21,861	475,475
Vehicles	450,966	38,210	13,695	502,871
Special events	-	-	-	-
Grants to others	150,129	-	-	150,129
Other costs	33,104	205,694	41,979	280,777
Total functional expenses before depreciation	18,809,646	7,188,516	3,469,936	29,468,098
Depreciation	511,236	1,055,753	56,815	1,623,804
Total functional expenses	$ 19,320,882	$ 8,244,269	$ 3,526,751	$ 31,091,902

Support Services		
Development	Management and General	Total Expenses
$ 160,130	$ 1,349,382	$ 14,913,476
25,511	240,656	2,659,745
-	-	924,332
957	80,242	1,957,263
-	-	1,828,117
-	-	1,241,893
3,110	8,862	229,230
-	-	1,087,485
24,847	42,941	890,222
-	-	1,343,727
-	16,064	415,547
-	58,076	483,969
-	-	658,901
-	891	947,178
-	-	262,405
-	-	227,025
-	-	475,475
-	-	502,871
47,938	-	47,938
-	-	150,129
-	-	280,777
262,493	1,797,114	31,527,705
-	34,250	1,658,054
$ 262,493	$ 1,831,364	$ 33,185,759

The accompanying notes are an integral part of these consolidated statements.

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

St. Vincent de Paul Society of Lane County, Inc. is a nonprofit organization that creates employment, housing, and multiple training opportunities for low-income people in order to provide avenues out of poverty for those in need. St. Vincent de Paul Society of Lane County, Inc. has formed a sustainable community model that attacks the root causes of poverty and funds these activities with not-for-profit entrepreneurial business ventures.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of St. Vincent de Paul Society of Lane County, Inc. and those of its wholly owned subsidiaries, De Paul RE Services, Inc.; Marion County Elderly, Inc.; De Paul Property Management, LLC; D Lamb, Inc.; Linn County Affordable Housing Acquisition, LLC; and Society of St. Vincent de Paul of Lane County, collectively referred to hereafter as “the Organization.” Inter-company transactions and balances have been eliminated.

Basis of Presentation

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. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets are 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 passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. As of September 30, 2017 and 2016, the Organization had $29,542,909 and $26,810,419, respectively, of temporarily restricted net assets.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations specify that the Organization maintain them permanently. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. As of September 30, 2017 and 2016, the Organization had no permanently restricted net assets.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

1. Nature of Operations and Summary of Significant Accounting Policies, continued

Description of Programs

General, Manufacturing, Retail, Warehouses, and Recycling - The Organization operates thrift stores, an economic development department, and a recycling department. Clothing, appliances, furniture, and other durable goods bought at bulk prices, manufactured or donated, are resold to finance the administration of the Organization and special charitable programs.

Housing - The Organization owns, operates, constructs, and renovates housing for low-income families. The affordable housing projects are primarily funded by federal grant programs and rent income.

Services and Training - The Organization, in cooperation with various denominations, operates emergency day and night shelters for the homeless. The Organization also provides emergency medical, food, and other services for the indigent.

Cash and Cash Equivalents

All checking accounts, money market mutual funds, and certificates of deposit with original maturities of 90 days or less are treated as cash and cash equivalents in the consolidated statements of financial position and cash flows.

Accounts Receivable

Accounts receivable is comprised of amounts due from granting agencies, contracts, and other various receivables. Management evaluates the collectability of accounts receivable on a case-by-case basis and writes off any receivables that have been deemed uncollectible. The allowance is composed of amounts due from former tenants that management has deemed potentially uncollectible. At September 30, 2017 and 2016, accounts receivable is presented net of an allowance of $66,650 and $65,573, respectively.

Accounts Receivable, Related Parties

Accounts receivable, related parties is comprised primarily of amounts due to the Organization from its limited partnerships for services rendered and fees earned. Management evaluates the collectability of these accounts receivable on a case-by-case basis and writes off any receivables that have been deemed uncollectible. The allowance is composed of amounts due where ultimate collectability is uncertain due to the limited available cash flow from those entities. At September 30, 2017 and 2016, accounts receivable, related parties is presented net of an allowance of $770,245 and $681,419, respectively.

Inventory

Purchased inventory is valued at the lower of cost (first-in, first-out) or market, generally based on an average cost per cubic foot or pounds of merchandise at the end of the year. The Organization also receives donated inventory throughout the year. The value of donated inventory at year end is determined by management based on a cumulative average value of donated inventory received throughout the year.

1. Nature of Operations and Summary of Significant Accounting Policies, continued

Fixed Assets and Intangibles

Purchased land, buildings, equipment, and leasehold improvements are stated at costs and depreciated over the estimated useful lives of the respective assets on a straight-line basis. Donated assets are stated at their estimated fair market value on the date of donation. Assets constructed by the Organization are stated at cost, which includes direct costs of construction including interest during the construction period and other carrying costs. When assets are disposed, the cost and related accumulated depreciation is removed from the accounts, and any gain or loss is recorded. Items of property and equipment with a cost of $5,000 or more are capitalized. The estimated useful lives are 30 - 40 years for buildings, 7 - 15 years for improvements, and 5 - 7 years for equipment.

Investments

The Organization has formed various limited partnerships some of which are owned 100% directly or indirectly by the Organization. As of September 30, 2017 and 2016, the Organization was the general partner for 14 limited partnerships and 15 limited partnerships, respectively, for which the organization owned a less than 50% interest (see Note 3). The partnerships were formed to construct and operate affordable housing complexes. Investments owned 100% directly or indirectly by the Organization are accounted for using the consolidation method of accounting under which inter-company transactions are eliminated. Investments in partnerships for which there is a less than 50% interest held by the Organization as general partner are accounted for using the equity method and are carried at cost adjusted annually for the Organization's proportionate share of earnings or losses.

Notes Receivable, Rural Housing Rehabilitation Program

Notes receivable are stated at their unpaid principal balance plus accrued interest earned. Interest on notes is typically recognized for the first five to seven years of the loan. Interest earned on notes associated with the Rural Housing Rehabilitation Program (RHRP) is calculated using the compound interest method on principal and interest amounts outstanding. The notes receivable are secured by real estate.

Management has elected to provide an allowance for uncollectible notes receivable for the RHRP equal to the estimated collection losses that will be incurred. The allowance for loan loss is based upon periodic review of the collectability of the loan in light of historical experiences, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of the underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. Once information is available that confirms the amount is uncollectible, the receivable is written off against the allowance.

1. Nature of Operations and Summary of Significant Accounting Policies, continued

Notes Receivable, Related Parties and Interest Receivable, Related Parties

Notes receivable, related parties, include notes due from the limited partnerships for which the Organization is the General Partner. The notes are stated at their unpaid principal balance. Interest on notes is recognized over the term of the loan. The notes are secured by real estate. Management has elected to provide an allowance for uncollectible notes receivable and interest receivable due from related parties. The allowances are based upon expected ability for the respective limited partnerships to pay the debt before or at the time of assumption of the limited partner interest by the Organization which is to occur at some future point in accordance with the respective partnership agreements. This evaluation is inherently subjective as it requires significant estimates that are susceptible to future revisions.

Beneficial Interest in the Net Assets of Related Organization

During the year ended September 30, 2015, the Organization contributed $4,888,900 to a related organization, SVDP Leverage Lender (a non-profit organization), which was organized exclusively for the support and benefit of the Organization. The bylaws of SVDP Leverage Lender state that the majority of the board of directors must be individuals who are not then members of the board of directors of the Organization. Due to this stipulation, the Organization is not deemed to have control over SVDP Leverage Lender and, therefore, SVDP Leverage Lender is not required to be consolidated with the Organization for financial reporting under US GAAP. The Organization recognizes its interest in the net assets of the related organization as a beneficial interest in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958-20-25-2. The amount of the beneficial interest is based on the amount contributed to the related organization and is adjusted annually for the Organization’s share of the change in the net assets of the related organization, which is included with gains (losses) on investments on the consolidated statements of activities.

Income Tax Status

St. Vincent de Paul Society of Lane County, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). The wholly owned subsidiaries of the Organization have various income tax statuses as follows: De Paul RE Services, Inc. and D, Lamb, Inc. – tax-exempt under IRC Section 501(c)(2); De Paul Property Management, LLC and Linn County Affordable Housing Acquisition, LLC - disregarded entities; Marion County Elderly, Inc. – taxable corporation; and Society of St. Vincent de Paul of Lane County – tax-exempt under IRC Section 501(c)(3). The Organization and its subsidiaries file applicable tax forms in the U.S. federal jurisdiction, the state of Oregon, and the state of California. The returns are generally subject to examination by taxing authorities for a period of three years after filing.

1. Nature of Operations and Summary of Significant Accounting Policies, continued

Revenue Recognition

Contributions revenue is recognized when the contribution or promise to contribute is made. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Donor-restricted support is recorded as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as a release from restriction.

Grant revenue for expense reimbursement based grants is recognized as qualified expenses are incurred, subject to the amount authorized in the grant agreement. Unreimbursed grant expenses due from grantor agencies are reflected in the consolidated financial statements as receivables and revenues.

Retail sales revenue is recorded when sales are made and is presented net of returns.

Fee for services revenue, including contract services, management fees and partnership reimbursements, and developer fee income, is recognized when the respective service is performed.

Donated Services and Materials

The Organization records the value of donated goods and use of facilities using the estimated fair market value of the donated good/use of facilities at the date of donation. The Organization records the value of donated services when the services meet the criteria for recognition in accordance with U.S. GAAP and there is an objective basis available to measure their value. The donated services included in the consolidated financial statements were valued at the fair market value of similar services. The Organization also receives donated services from a variety of unpaid volunteers who assist with programs in nonspecialized roles. Approximately 25,000 hours were donated by unpaid volunteers in 2017 and 2016. No amounts have been reflected in the consolidated financial statements for these donated hours. Donated materials and supplies are reflected as contributions, in-kind and are valued at the estimated fair market value as of the date the item is received.

Derivative Financial Instrument Policy – Interest Rate Swap

The Organization entered into an interest rate swap agreement to manage its interest rate exposure. Interest rate swaps are agreements to exchange interest rate payment streams based on the principal amount. The Organization's accounting policies require settlement accounting principles for interest rate swaps in which net interest rate differentials to be paid or received are recorded currently as adjustments to interest expense.

Advertising Costs

The Organization's advertising costs are expensed as incurred.

1. Nature of Operations and Summary of Significant Accounting Policies, continued

Functional Allocations of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and support services benefited.

Recent Accounting Standard Adopted

In April 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-03, *Interest-Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs.* ASU 2015-03 requires the Organization to present debt issuance costs as a direct deduction from the carrying value of the related debt liability and amortization is required to be included with interest expense in the consolidated statements of activities. ASU 2015-03 is effective for fiscal years beginning after December 15, 2015. The Organization has adopted the provisions of ASU 2015-03 and prior period amounts have been retroactively reclassified to conform to the current period presentation. As a result, as of September 30, 2016, $1,097,563 of unamortized deferred financing costs related to the Organization's long-term debt were reclassified in the consolidated statement of financial position from intangible assets to long-term debt and for the year ended September 30, 2016, $41,912 of amortization expense related to such deferred financing costs were reclassified to interest expense in the consolidated statement of activities, with no effect on previously reported change in net assets. Other than this reclassification, the adoption of ASU 2015-03 did not have a material impact on the Organization's financial position, results of activities, or cash flows.

2. Cash and Cash Equivalents and Concentration of Credit Risk

Under the terms of grant agreements, the Organization is required to maintain restricted cash accounts and in some cases segregated bank accounts. The restricted accounts are typically restricted to pay operating expenses of the related programs or as reserves for repairs and replacements on housing projects.

	2017	2016
Unrestricted cash and cash equivalents	$ 1,225,800	$ 1,013,105
Restricted cash and cash equivalents	4,050,371	3,695,945
Total cash and cash equivalents	$ 5,276,171	$ 4,709,050

Deposits with financial institutions include bank demand deposits, money market accounts, and certificates of deposit. Deposits held at financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 at each financial institution. Balances held may from time to time exceed federally insured limits. The total bank balance of these accounts were $5,719,085 and $4,770,337 for the years ended September 30, 2017 and 2016, respectively. Of these deposits, $2,853,977 and $2,834,456 were covered by federal depository insurance at September 30, 2017 and 2016, respectively. Balances of $2,865,108 and $1,935,881 as of September 30, 2017 and 2016, respectively, were not insured.

3. Investments

Investments consist primarily of capital contributed to the entities the Organization has formed to construct and operate affordable housing developments for eligible tenants in Oregon. The Organization serves as the General Partner and acts as manager of the developments.

At September 30, the Organization's equity (deficit) in the limited partnerships and other investments were as follows:

	2017	2016
Alona Place Limited Partnership	$ 100,737	$ -
Ash Meadows Limited Partnership	-	247,781
Aurora Housing Limited Partnership	1,330,708	1,330,730
Bascom Village Limited Partnership	1,246,900	1,246,919
Corey Commons Limited Partnership	187,340	187,355
Four Oaks Limited Partnership	116,676	116,682
Hazel Court Limited Partnership	184,357	184,361
Heather Glen Limited Partnership	(51)	(33)
Lamb Building Limited Partnership	1,117,271	1,117,286
Myrtlewood Limited Partnership	25,417	-
Royal Building Limited Partnership	158,430	158,445
Santa Clara Limited Partnership	537,204	537,224
Spruce Terrace Limited Partnership	-	661,733
Stayton Manor Limited Partnership	204,810	204,812
Stellar Apartments Limited Partnership	745,891	745,914
Wallerwood Limited Partnership	168,728	168,729
Other investments	78,290	92,859
Total investments	$ 6,202,708	$ 7,000,797

The Organization's interests in the limited partnerships ranges from .01 percent to .10 percent. The limited partnerships have calendar year ends. The summarized financial information for the above named limited partnerships at December 31, 2016 and 2015 were as follows:

	2016	2015
Total assets	$ 61,684,346	$ 60,815,129
Total liabilities	26,217,896	27,971,647
Net loss	(1,876,389)	(1,740,405)

4. Fixed Assets

At September 30, a summary of fixed assets was as follows:

	2017	2016
Land	$ 13,176,541	$ 9,913,171
Buildings and leasehold improvements	38,388,794	37,006,615
Equipment	4,011,385	3,804,909
Landscaping	64,615	38,482
Construction in progress and assets in development	1,023,166	50,084
	56,664,501	50,813,261
Accumulated depreciation	(14,251,773)	(12,920,498)
Fixed assets, net	$ 42,412,728	$ 37,892,763

5. Assets Held for Sale

During 2009, the Organization purchased land from the city of Lowell, Oregon and land located in Veneta, Oregon with the purpose of developing the land and selling it to qualified homebuyers in accordance with grants received for that purpose. Costs associated with readying the land for sale are capitalized as land costs. The amounts are included as assets held for sale and is stated at the lower of its carrying amount or fair value, less costs to sell.

6. Notes Receivable, Rural Housing Rehabilitation Program

In 2002, the Organization began the RHRP for Lane County which provides loans to eligible homeowners to improve the structure of their homes, and create a safer and healthier environment in which to live. They have subsequently added loans from the cities of Cottage Grove, Florence, Lowell, and Oakridge, Oregon. The loans generally accrue interest annually at 1 to 3 percent for the first 5 to 7 years of the loan. The loans are secured by real estate. Each loan has a 20-year term and can be renewed in 5-year increments after the first 20 years. At September 30, 2017 and 2016, the total amount of notes receivable for this program, net of the allowance, was $2,663,913 and $2,567,642, respectively. Amounts are net of an allowance for uncollectible accounts of $228,291, for the years ended September 30, 2017 and 2016. All loans are considered to be long-term.

7. Lines of Credit

The Organization has three revolving lines of credit totaling $1,400,000 with Banner Bank that mature July 5, 2018. Interest is payable monthly based on a variable rate index and is subject to minimum and maximum rate limitations (effective rate of 4.375 percent and 3.625 percent at September 30, 2017 and 2016, respectively). Collateral is provided by accounts receivable, inventory, and equipment. At September 30, 2017 and 2016, outstanding borrowings on the revolving lines of credit were $239,190 and $240,268, respectively, and the amount available on the lines of credit was $1,160,810 and $1,109,732, respectively. The credit agreement requires the Organization to maintain specified reporting requirements and financial covenants which are measured periodically. Management believes the Organization was in compliance with the financial covenants required by the credit agreement as of September 30, 2017 and 2016.

8. Long-term Debt

As of September 30, long-term debt consisted of the following:

	2017	2016
Notes payable, Wells Fargo Community Development Corp., with monthly payments of $8,993, including interest at 4.60%, monthly payments of interest only at 2.00%, and quarterly payments of interest only at 1.02%, due at various dates from March 2022 through December 2044, secured by real estate.	$ 9,135,127	$ 9,200,109
Notes payable, Umpqua Bank, with monthly payments of $418 to $19,679, including interest at 4.35% to 5.25% and variable rates from 3.45% to 5.5% at September 30, 2017 and 2016, due at various dates from July 2021 through May 2032, secured by real estate.	1,231,511	4,116,677
Notes payable, state of Oregon, OFA Bond, with monthly payments of $18,018, including interest at 3.40%, due November 2039, secured by real estate.	3,292,319	3,393,200
Notes payable, city of Eugene, with monthly payments of $-0- to $2,245, including interest at 0.00% to 5.00%, due at various dates from March 2018 through July 2038 or when the underlying property is sold, secured by real estate.	1,921,003	1,991,388
Note payable, state of Oregon, OECD, with annual payments of $14,070, including interest at 5.35%, due December 2029, secured by real estate.	1,514,792	1,600,096
Notes payable, Banner Bank, with monthly payments of $531 to $6,167, including interest at 2.25% to 7.00%, due at various dates from January 2018 through January 2036, secured by real estate, other assets, and assignment of rents.	3,222,115	2,533,798
Notes payable, Bank of America, with monthly payments of $3,109 to $4,153, including interest at 3.72% to 4.64%, due at various dates from March 2027 through February 2031, secured by real estate.	1,433,663	1,523,597
Notes payable, Network of Affordable Housing (NOAH), with monthly payments of $-0- to $4,167, including interest at 2.00% to 5.00%, due at various dates from June 2020 through June 2033, secured by real estate.	3,251,299	1,133,359
Notes payable, USDA Rural Development, with monthly payments of $584 to $1,705, including interest at 5.38% to 5.63%, due at various dates from February 2036 through June 2040, secured by real estate.	743,810	760,537

8. Long-term Debt, continued

	2017	2016
Notes payable, Anita B. Stelling, interest only payments with interest at 3.50% to 4.00%, through April 2019 or when underlying property is sold, secured by real estate.	684,000	684,000
Note payable, state of California, with monthly payments of $5,797, including interest at 4.00%, due January 2026, secured by real estate.	493,139	546,192
Notes payable, KeyBank, with monthly payments of $1,803 and $3,303, including interest at 5.15%, due at various dates from August 2021 through September 2028, secured by vehicles, equipment, and real estate.	560,723	367,970
Notes payable, Community Frameworks, non-interest bearing, forgivable after various dates from July 2020 through August, 2020, secured by real estate.	300,000	300,000
Notes payable, city of Springfield, with monthly payments of $106 to $519, non-interest bearing, due at various dates September 2025 through March 2030 or when underlying property is sold, secured by real estate.	113,116	122,515
Notes payable to various individuals or trusts, with monthly payments of $-0- to $679, including interest at 0.00% to 5.28%, due at various dates through December 2026, secured by real estate.	101,990	106,499
Note payable, Columbia Bank, with monthly payments of $2,829, including interest at 3.99%, due August 2019, secured by real property.	59,712	90,553
Note payable, city of Salem, with monthly payments of $417, non-interest bearing, due January 2034, secured by real estate.	81,388	86,388
Note payable, Summit Bank, with monthly payments of $766, including interest at 4.21%, due September 2026, secured by real estate.	68,757	75,000
Note payable, city of Portland, no monthly payments, non-interest bearing, due June 2019, secured by real estate.	1,318,030	-
Note payable, Liguori, interest-only payments at 6.00% with lump sum due December 21 2019, secured by real estate.	50,000	50,000
	29,576,494	28,681,878
Unamortized deferred financing costs	(1,098,591)	(1,097,563)
Current portion	(1,848,421)	(990,237)
Long-term debt, net of current portion and unamortized deferred financing costs	$ 26,629,482	$ 26,594,078

8. Long-term Debt, continued

Maturities of long-term debt for each of the next five years and thereafter are as follows:

For the Year Ending September 30,	
2018	$ 1,848,421
2019	2,312,687
2020	2,336,008
2021	2,101,182
2022	1,320,254
Thereafter	19,657,942
Total	$ 29,576,494

The notes payable require certain covenants related to cash flow, debt service coverage, and financial reporting to the lending institutions. As of September 30, 2017 and 2016, the Organization's management believes the Organization was in compliance with all such covenants.

9. Related Party Transactions

Notes Receivable, Related Parties

At September 30, notes receivable, related parties consisted of the following:

	2017	2016
Notes receivable, Ash Meadows Limited Partnership, payable with interest only at 0.00% to 6.49% to the extent of available cash flow, secured by real estate. The loan was paid off in December 2016 upon the dissolution of the partnership.	$ -	$ 323,271
Notes receivable, Aurora Housing Limited Partnership, payable with interest only at 3.00% to 5.72% in quarterly installments from available cash flow, due September 2034, secured by real estate.	849,667	849,667
Note receivable, Bascom Village Limited Partnership, payable in monthly installments of interest at 0.33% to the extent of available cash flow, due July 1, 2044, secured by real estate.	339,274	410,274
Note receivable, Corey Commons Limited Partnership, payable with interest at 5.46% to the extent of available cash flow, due July 2033, secured by real estate.	275,000	275,000
Notes receivable, Four Oaks Limited Partnership, payable with interest at 1.00% to 3.00% to the extent of available cash flow, due at various dates through June 2053, secured by real estate.	190,567	190,567

9. Related Party Transactions, continued

Notes Receivable, Related Parties, continued

	2017	2016
Notes receivable, Heather Glen Limited Partnership, payable with interest only at 5.40% to the extent of available cash flow, due December 2059, secured by real estate.	1,168,578	1,168,578
Notes receivable, Lamb Building Limited Partnership, payable with interest only at 0.05% to the extent of available cash flow, due August 2039, secured by real estate.	560,000	560,000
Notes receivable, Royal Building Limited Partnership, payable with interest only at 3.00% to the extent of available cash flow, due at various dates through September 2036, secured by real estate.	1,250,650	1,250,650
Notes receivable, Santa Clara Limited Partnership, payable with interest only at 1.00% to 5.46% to the extent of available cash flow, due at various dates through July 2034, secured by real estate.	562,230	562,230
Note receivable, Spruce Terrace Limited Partnership, payable in monthly installments of interest at 3.00% to the extent of available cash flow, due July 2031, secured by real estate.	-	696,696
Note receivable, Stellar Apartments Limited Partnership, payable in monthly installments of interest at 2.89% beginning August 1, 2013 to the extent of available cash flow, due December 2062, secured by real estate.	832,509	832,508
Notes receivable, Wallerwood Limited Partnership, payable with interest at 1.00% to 3.00% to the extent of available cash flow, due at various dates through June 2053, secured by real estate.	190,267	190,267
Note receivable, Myrtlewood Limited Partnership, payable with interest at 3.35% to the extent of available cash flow, due on March 2059, secured by real estate.	202,067	-
	6,420,809	7,309,708
Allowance for uncollectible notes receivable	-	-
Notes receivable, related parties, net	$ 6,420,809	$ 7,309,708

9. Related Party Transactions, continued

Notes Receivable, Related Parties, continued

Total interest income from these notes was $133,453 and $127,400 for the years ended September 30, 2017 and 2016, respectively. Total net accrued interest on the notes receivable was $583,930 and $685,170 for the years ended September 30, 2017 and 2016, respectively. Total accrued interest is reported net of allowance of $1,010,522 and $1,116,540 for the years ended September 30, 2017 and 2016, respectively.

Development Fees Receivable, Related Parties

At September 30, development fees receivable, related parties consisted of the following:

	2017	2016
Heather Glen Limited Partnership, payments are subject to the partnership having available cash flow; however, the fee is to be paid in full no later than December 31, 2021.	$ 28,093	$ 32,594
Royal Building Limited Partnership, payments are subject to the partnership having available cash flow; however, the fee is to be paid in full no later than December 31, 2019.	165,829	165,829
Bascom Village Limited Partnership, $507,000 is due upon the partnership's receipt of the investor limited partner capital contribution which occurred in 2016 and the remainder of the payments are subject to the partnership having available cash flow. Paid in full in September 2017.	-	16,942
Alona Place Limited Partnership, $515,000 was due in 2017 and the remainder of the payments are subject to the partnership having available cash flow. Paid in full June 2017.	-	565,000
Lamb Building Limited Partnership, payments are subject to the partnership having available cash flow.	16,190	16,190
	210,112	796,555
Allowance for uncollectible developer fees	(145,829)	(145,829)
Current portion	-	(515,000)
Development fees receivable, related parties, net of current portion and allowance for doubtful collections	$ 64,283	$ 135,726

9. Related Party Transactions, continued

Case Management, Property Management, and Accounting Fees

The Organization acts as property manager for multiple limited partnerships and performs various management and accounting duties for the partnerships. For the years ended September 30, 2017 and 2016, there were 14 and 15 limited partnerships, respectively. Income from property management totaled $822,421 and $778,984 for the years ended September 30, 2017 and 2016, respectively.

10. Lease Obligations

The Organization leases, as lessee, buildings for store operations, the Interfaith Emergency Shelter System, and manufacturing facilities under non-cancelable operating leases expiring at various dates through 2034. Total rent expense for the years ended September 30, 2017 and 2016 was $1,656,764 and $1,343,727, including $1,382,427 and $1,064,707, respectively, for all facilities under non-cancelable operating leases.

At September 30, 2017, future minimum lease payments under such leases were as follows:

For the Year Ending September 30,	
2018	$ 1,337,748
2019	1,047,550
2020	856,465
2021	694,595
2022	687,461
Thereafter	2,597,780
Total	$ 7,221,599

11. Contingencies

Grants and bequests require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in a request by grantors to return the funds. The Organization's management considers this contingency to be a remote possibility, since the Board could modify the objectives of the Organization to the provision of the grantor, if necessary.

12. Contributions, In-Kind

The Organization receives noncash donations throughout the year including food from Food for Lane County, donated cars, donated use of facilities, and other donated goods. The food received is distributed as direct aid to individuals. For the years ended September 30, 2017 and 2016, noncash donations were comprised of the following:

	2017	2016
Food	$ 1,315,038	$ 1,241,893
Cars	345,157	305,366
Other goods	580,351	493,057
Use of facilities	21,000	21,000
Contributions, in-kind	$ 2,261,546	$ 2,061,316

13. Derivative Financial Instrument – Interest-Rate Swap

The Organization entered into an interest-rate swap agreement related to the bond issuance. The Organization will pay a fixed interest rate of 4.48 percent to KeyBank. KeyBank has agreed to pay a variable rate on the principal amount of the bonds. During 2009, the bonds associated with the interest-rate swap were paid in full. However, the interest-rate swap agreement is still in effect until March 1, 2019. The loss on the interest-rate swap was $25,080 and $37,394 as of September 30, 2017 and 2016, and is included in interest expense.

14. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	2017	2016
Services and Training program:		
General	$ 398,117	$ 264,474
Buildings and equipment	780,840	786,288
Total Services and Training program	1,178,957	1,050,762
Housing program:		
General	3,074,108	2,969,387
Grants receivable	1,414,596	-
Buildings and equipment	14,196,249	12,113,584
Assets held for sale	319,428	414,502
Notes receivable – RHRP	2,663,913	2,567,642
Notes receivable – RHRP Opportunity Program	330,684	296,972
Investments in low income housing projects	6,173,476	6,973,653
Total Housing program	28,172,454	25,335,740
Other program:		
General	191,498	423,917
Total temporarily restricted net assets	$ 29,542,909	$ 26,810,419

15. Contribution to Related Party - Aster, Inc.

During 2008, the Organization contributed $1,168,914 for the formation of Aster, Inc., a 501(c)(3) nonprofit organization. Aster, Inc. was formed for the purpose of constructing and operating an affordable housing project. Aster, Inc. is a related party that shares some management and board members with the Organization, but Aster, Inc. is not controlled by the Organization. As of September 30, assets, liabilities, and net assets of Aster, Inc. consisted of the following:

	2017	2016
Cash and reserves	$ 186,640	$ 262,639
Accounts receivable	1,075	23,827
Prepaid expenses	3,920	2,995
Land, building and leasehold improvements, net of accumulated depreciation of $1,430,663 in 2017 and $1,292,756 in 2016	4,877,055	5,014,962
Total assets	$ 5,068,690	$ 5,304,423
Accounts payable and other liabilities	$ 34,312	$ 129,923
Net assets	5,034,378	5,174,500
Total liabilities and net assets	$ 5,068,690	$ 5,304,423

16. Assumption of Limited Partnerships

During the year ended September 30, 2017, De Paul PM, LLC, a wholly owned subsidiary of the Organization, was assigned the exiting limited partners' ownership interest in Spruce Terrace Limited Partnership and Ash Meadows Limited Partnership. At the time the interest was assigned, the partnership became wholly owned by the Organization. At the time of the assignment, the assets and liabilities of the limited partnership were transferred to the Organization in satisfaction of the amounts due to the Organization. The assets were recorded at their estimated fair market value based on the restricted rents cash flow at the date of the assignment.

17. Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. Such reclassifications have no effect on previously stated net assets or change in net assets.

18. Subsequent Events

Management evaluates events and transactions that occur after the consolidated statement of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.

In November 2017, the Organization exercised an option to purchase the previously leased Chad Drive location at a price of $5,300,000. The purchase was financed with a tax-exempt SNAP loan through the Oregon Facilities Authority (OFA) by Banner Bank in the amount of $8,500,000. The loan requires monthly payments of $43,137, including interest at a fixed rate of 3.63 percent. Monthly payments are based on 25 year amortization of the loan; however, there is a balloon payment due for the unpaid principal balance on January 1, 2028. The note is secured by real estate.

In addition to financing the purchase of the Chad Drive location, the loan also included a refinance of the existing bridge loan for the Seneca Drive location and to fund improvements, expansion, and remodel of these facilities.

Maturities of the note for each of the next five years and thereafter are as follows:

For the Year Ending September 30,	
2018	$ 176,747
2019	219,265
2020	227,358
2021	235,750
2022	244,452
Thereafter	7,396,428
Total	$ 8,500,000

On January 1, 2018, the Investor Limited Partner in Four Oaks Limited Partnership, Hazel Court Limited Partnership, Stayton Manor Limited Partnership and Wallerwood Limited Partnership sold its interest in each partnership to De Paul Property Management, LLC, a wholly owned subsidiary of St. Vincent de Paul Society of Lane County, Inc. for $1, which is effectively a donation of its interest. The gain or loss to be recognized due to the donation of the investor interest is not yet determinable.

SINGLE AUDIT

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Contract Number	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
Food Distribution Cluster				
Passed-through Food for Lane County, Inc.:				
Emergency Food Assistance Program		10.569	$ 130,663	$ -
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster				
Passed-through Lane County:				
Community Development Block Grant/Entitlement Grants	51274, 53451, 51307, 53454	14.218	71,527	-
Passed-through city of Eugene:				
Community Development Block Grant/Entitlement Grants	2015-02150	14.218	33,856	-
Passed-through city of Portland:				
Community Development Block Grant/Entitlement Grants	Loan no. 3110285	14.218	1,318,029	-
Total CDBG - Entitlement Grants Cluster			1,423,412	-
Passed-through city of Cottage Grove:				
Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	CG1	14.228	190,437	-
Passed-through city of Florence:				
Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	HR505	14.228	235	-
Passed-through city of Lowell:				
Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	HR020021	14.228	525	-
Passed-through city of Junction City:				
Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	HR805	14.228	503	-
Passed-through city of Oakridge:				
Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	H010007, HR608	14.228	326	-
Passed-through city of Veneta:				
Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	H16013	14.228	2,831	-
Passed-through Lane County:				
Emergency Solutions Grant Program	51274, 53451, 51307, 53454	14.231	166,130	-
Passed-through city of Eugene:				
Home Investment Partnerships Program - Homeless Youth	2017-02166	14.239	591,094	-
Home Investment Partnerships Program - Housing	2017-02193, 4451	14.239	66,187	-
Home Investment Partnerships Program - CHDO	2016-02187	14.239	89,268	-
Passed-through Community Frameworks:				
Self-Help Homeownership Opportunity Program	SVDP-07-01, SVDP-08-01	14.247	312,836	-
Direct Award -				
Continuum of Care Program - Connections	OR0003LOE001609	14.267	237,470	-
Continuum of Care Program - LIFT	OR0009LOE001609	14.267	245,274	-

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended September 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Contract Number	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development, continued				
Direct Award, continued				
Continuum of Care Program - Vet LIFT	OR0015LOE001609, OR0015LOE001508	14.267	189,863	-
Continuum of Care Program - First Place Family Center	OR0180LOE001502, OR0180LOE001603	14.267	28,222	-
Passed-through Mainstream Housing Inc.:				
Continuum of Care Program - Home Space / Emerald Options		14.267	18,359	-
Passed-through Housing and Community Services Agency:				
Continuum of Care Program - Madrone		14.267	731	-
Total U.S. Department of Housing and Urban Development			3,563,703	-
U.S. Department of Labor				
Direct Award - Homeless Veterans Reintegration Program	HV-29052-16-60-5-41, HV-30695-17-60-5-41, SD-29673-16-60-5-41	17.805	290,026	-
U.S. Department of the Treasury				
Passed-through Network for Oregon Affordable Housing:				
Community Development Financial Institutions Program		21.020	750,000	-
General Services Administration				
Direct Award - Donation of Federal Surplus Personal Property		39.003	90,584	-
U.S. Department of Veterans Affairs				
Direct Award - Veteran Rehabilitation - Alcohol and Drug Dependence	VA260-14-C-0121	64.019	113,212	-
Direct Award - VA Homeless Providers Grant and Per Diem Program	60-30-OR	64.024	133,595	-
Direct Award - VA Supportive Services for Veteran Families	12-OR-066, C15-OR-500A	64.033	1,207,424	219,686
Total U.S. Department of Veteran Affairs			1,454,231	219,686
Environmental Protection Agency				
Passed-through Oregon Business Development Department:				
Capitalization Grants for Drinking Water State Revolving Funds		66.468	1,560	-
U.S. Department of Education				
Passed-through Oregon Department of Human Services:				
Rehabilitation Services - Vocational Rehabilitation	149585	84.126	2,020	-
U.S. Department of Health and Human Services				
Passed-through Lane County:				
Low-Income Home Energy Assistance	51502, 53471	93.568	13,599	-
U.S. Department of Homeland Security				
Direct Award - Emergency Food and Shelter National Board Program		97.024	8,500	-
Total federal awards			$ 6,304,886	

1. Organization of the Schedule

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of St. Vincent de Paul Society of Lane County, Inc. and subsidiaries under programs of the federal government for the year ended September 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements. The Schedule is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Expenditures reported on the Schedule include non-monetary assistance in the form of food and other commodities received. The amount expended is determined based on the values provided by the grantor.

For revolving loan programs, loans of such funds to eligible recipients and eligible administrative costs are considered expenditures.

The Organization has elected to use the ten percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Loans and Loan Guarantee Programs

For loan and loan guarantee programs for which there are continuing federal compliance requirements, the amount of expenditures reported on the Schedule is the sum of the loan balance at the beginning of the year, the value of new loans made during the year, and cash or administrative cost allowance received during the year.

3. Loans and Loan Guarantee Programs, continued

The Organization has loans due to federal agencies or pass-through agencies for which there are continuing compliance requirements. As of September 30, 2017, the outstanding loan balances on such loans were as follows:

Federal Agency	Program Title	CFDA Number	Outstanding Balance
U.S. Department of Housing and Urban Development: Passed-through city of Portland	Community Development Block Grant	14.218	$ 1,318,029
U.S. Department of Housing and Urban Development: Passed-through Community Frameworks	Self-Help Home Ownership Opportunity Program	14.247	300,000
U.S. Department of the Treasury: Passed-through Network for Oregon Affordable Housing	Community Development Financial Institutions Program	21.020	750,000
			$ 2,368,029

The proceeds of loans that were received and expended in prior years are not considered federal awards expended when the laws, regulations, and the provisions of contracts or grant agreements pertaining to such loans impose no continuing compliance requirements other than to repay the loans and have been excluded from the Schedule and the notes to the Schedule.

Jones & Roth
CPAs & Business Advisors

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
St. Vincent de Paul Society of Lane County, Inc. and Subsidiaries
Eugene, Oregon

We have audited, in accordance with the 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, the consolidated financial statements of St. Vincent de Paul Society of Lane County, Inc. (a nonprofit organization) and subsidiaries (the Organization), which comprise the consolidated statement of financial position as of September 30, 2017 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 16, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jones & Roth, P.C.

Jones & Roth, P.C.
Eugene, Oregon
February 16, 2018

Jones Roth
CPAs & Business Advisors

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
St. Vincent de Paul Society of Lane County, Inc. and Subsidiaries
Eugene, Oregon

Report on Compliance for Each Major Federal Program

We have audited St. Vincent de Paul Society of Lane County, Inc. and subsidiaries' (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2017. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, St. Vincent de Paul Society of Lane County, Inc. and subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2017.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliances requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Jones & Roth, P.C.

Jones & Roth, P.C.
Eugene, Oregon
February 16, 2018

Summary of Auditor's Results

- The independent auditor's report expresses an unmodified opinion on the consolidated financial statements of St. Vincent de Paul Society of Lane County, Inc. and subsidiaries (the Organization) for the year ended September 30, 2017.

- No significant deficiencies and no material weaknesses in internal control were disclosed by the audit of the consolidated financial statements.

- No instances of noncompliance material to the consolidated financial statements of the Organization, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

- No significant deficiencies and no material weaknesses were disclosed during the audit of the major federal award programs.

- The independent auditor's report on compliance for the major federal award programs for the Organization expresses an unmodified opinion on all major federal programs.

- There are no audit findings or questioned costs disclosed during the audit that are required to be reported in this schedule in accordance with the Uniform Guidance.

- The programs tested as major programs were:

CFDA # 14.218	CDBG – Entitlement Grants Cluster: Community Development Block Grants
CFDA # 14.239	Home Investment Partnership Program
CFDA # 21.020	Community Development Financial Institutions Program

- The threshold for distinguishing between Type A and Type B programs was $750,000.

- The Organization did not qualify as a low-risk auditee.

Findings – Consolidated Financial Statement Audit

None.

Findings and Questioned Costs – Major Federal Award Programs Audit

None.

Prior Year Findings – Consolidated Financial Statement Audit

None.

Findings and Questioned Costs – Major Federal Award Programs Audit

None.

SUPPLEMENTARY INFORMATION

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF REVENUES AND EXPENSES FOR SELECT RENTAL PROPERTIES
For the Year Ended September 30, 2017

	Skinner Butte	Hope Circle	Mac McDonald
Revenues			
Rental income, net of vacancies	$ 200,020	$ 75,709	$ 121,935
Laundry income	1,196	-	-
Other income	5,206	1,656	2,963
Total revenues	206,422	77,365	124,898
Expenses			
Salaries and wages	32,043	3,684	16,684
Payroll taxes and benefits	5,168	596	2,550
Utilities	27,223	269	1,417
Security service fee	846	-	-
Garbage	2,284	-	-
Office supplies and expense	60	-	-
Telecommunications	2,166	-	-
Insurance	-	-	-
Repairs and maintenance	16,210	23,779	87,426
Landscaping	-	1,725	10,205
Operating supplies	-	-	-
Professional services	2,185	-	2,366
Fees, licenses and taxes	2,336	2,701	2,278
Interest expense	-	-	16,705
Miscellaneous expense	-	-	-
Parking expense	-	-	-
Total expenses before depreciation	90,521	32,754	139,631
Net income (loss) before depreciation	115,901	44,611	(14,733)
Depreciation	33,689	36,802	67,577
Total expenses	124,210	69,556	207,208
Net income (loss)	$ 82,212	$ 7,809	$ (82,310)

Ross Lane	Blue Belle I	Blue Belle II
$ 213,583	$ 57,795	$ 17,342
4,019	-	-
4,217	13	4
221,819	57,808	17,346
41,783	6,284	1,886
6,794	1,025	308
25,890	2,200	660
-	-	-
11,526	2,313	694
-	23	7
2,997	1,121	336
-	2,308	692
43,204	5,155	1,547
10,295	7,192	2,158
182	-	-
1,227	-	-
2,650	664	199
18,908	-	-
-	-	-
-	-	-
165,456	28,285	8,487
56,363	29,523	8,859
144,525	25,131	7,541
309,981	53,416	16,028
$ (88,162)	$ 4,392	$ 1,318

OAKWOOD MANOR LIMITED PARTNERSHIP
SCHEDULE OF ASSETS, LIABILITIES, AND PARTNERS' CAPITAL
September 30, 2017

Assets

Current assets		
Cash in bank	$	327,862
Petty cash		50
		327,912
Prepaid insurance		4,363
Tenant accounts receivable		2,895
Other receivables - operating receivable from General Partner		-
Total current assets		335,170
Funded reserves		
Tenant security deposits		42,813
Replacement reserve		31,767
Insurance reserve		13,537
Total funded reserves		88,117
Rental property		
Building and improvements		2,098,073
Furniture and fixtures		7,801
Landscaping		1,827
		2,107,701
Accumulated depreciation		(739,796)
		1,367,905
Land		412,300
Rental property, net		1,780,205
Total assets	$	2,203,492

Liabilities and Partners' Capital

Current liabilities	
Deferred rent revenue	$ 4,845
Deferred insurance proceeds from casualty event	314,035
Total current liabilities	318,880
Notes payable	
Note payable, State of Oregon Housing and Community Services	1,514,792
Note payable, city of Eugene	329,340
Unamortized deferred financing costs	(48,554)
Total notes payable, net of unamorized deferred financing costs	1,795,578
Other liabilities	
Due to General Partner	103,657
Tenant security deposits	44,821
Total other liabilities	148,478
Total liabilities	2,262,936
Partners' capital (deficit)	(59,444)
Total liabilities and partners' capital	$ 2,203,492

OAKWOOD MANOR LIMITED PARTNERSHIP
SCHEDULE OF OPERATIONS AND PARTNERS' CAPITAL
For the Year Ended September 30, 2017

Revenue	
Net rental income	$ 414,579
Interest income	105
Laundry fees	7,143
Other income	18,800
Total revenue	440,627
Operating expenses	
Depreciation	142,088
Insurance	16,810
Interest, including $4,103 of amortization of deferred financing costs	103,664
Licenses and fees	6,609
Miscellaneous	2,463
Professional services	100
Property management	19,998
Repairs and maintenance	213,161
Salaries and related payroll taxes and benefits	89,964
Telephone	4,026
Trash removal	17,742
Utilities	53,563
Total operating expenses	670,188
Net loss	(229,561)
Partners' capital, beginning of year	170,117
Partners' capital (deficit), end of year	$ (59,444)

OAKWOOD MANOR LIMITED PARTNERSHIP
SCHEDULE OF CASH FLOWS
For the Year Ended September 30, 2017

Cash flows from operating activities		
Net loss	$	(229,561)
Noncash items included in net loss:		
Depreciation		142,088
Amortization of deferred financing costs		4,103
Adjustments to reconcile net loss to net cash provided by operating activities:		
(Increase) decrease in:		
Prepaid insurance		(1,565)
Tenant accounts receivable		(1,421)
Other receivables - operating receivable from General Partner		7,381
Increase (decrease) in:		
Deferred rent revenue		3,185
Deferred insurance proceeds from casualty event		314,035
Due to General Partner		103,657
Tenant security deposits liability		(2,734)
Net cash provided by operating activities		339,168
Cash flows from investing activities		
Change in security deposits reserve		4,742
Deposits to funded reserves		(29,136)
Withdrawals from funded reserves		91,063
Net cash provided by investing activities		66,669
Cash flows from financing activities		
Payments on notes payable		(100,465)
Net increase in cash		305,372
Cash, beginning of year		22,540
Cash, end of year	$	327,912

OAKWOOD MANOR LIMITED PARTNERSHIP
COMPUTATION OF SURPLUS CASH
For the Year Ended September 30, 2017

Cash		
Cash on hand	$	327,912
Resident security deposits		42,813
Rent receivable		2,895
Total cash		373,620
Current obligations		
Delinquent mortgage principal payments		-
Delinquent deposits to reserve for replacements		-
Accounts payable		-
Accrued expenses		-
Prepaid rents		4,845
Resident security deposit liability		44,821
Mortgage tax and insurance reserve deficiency		-
Other: Deferred insurance proceeds from casualty event		314,035
Other: Due to General Partner		103,657
Total current obligations		467,358
Surplus cash (deficiency)	$	(93,738)

SOMMERVILLE APARTMENTS
SCHEDULE OF ASSETS, LIABILITIES, AND OWNER'S EQUITY
September 30, 2017

Assets

Rental property	
Building and improvements	$ 1,226,057
Accumulated depreciation	(87,165)
	1,138,892
Land	129,070
Rental property, net	1,267,962
Funded reserves	
Tenant security deposits	16,030
Operating reserve	44,164
Replacement reserve	70,214
Insurance and tax reserve	19,907
Total funded reserves	150,315
Other assets	
Accounts receivable	1,409
Total assets	$ 1,419,686

Liabilities and Owner's Equity

Liabilities applicable to investment in real estate	
Note payable, Network for Oregon Affordable Housing	$ 621,446
Unamortized deferred financing costs	(6,719)
Notes payable, net of unamortized deferred financing costs	614,727
Other liabilities	
Due to owner	826,379
Tenant security deposits	16,030
Deferred rent	1,356
Total other liabilities	843,765
Total liabilities	1,458,492
Owner's equity (deficit)	(38,806)
Total liabilities and owner's equity	$ 1,419,686

SOMMERVILLE APARTMENTS
SCHEDULE OF OPERATIONS AND OWNER'S EQUITY
For the Year Ended September 30, 2017

Revenue	
Net rental income	$ 181,383
Interest income	70
Other income	4,267
Total revenue	185,720
Operating expenses	
Depreciation	29,694
Insurance	7,864
Interest, including $375 of amortization of deferred financing costs	14,494
Tenant security deposits	
Licenses and fees	17,656
Miscellaneous	327
Professional services	2,680
Repairs and maintenance	60,265
Salaries and related payroll taxes and benefits	33,262
Telephone	1,452
Utilities	34,219
Total operating expenses	201,913
Net loss	(16,193)
Owner's equity (deficit), beginning of year	(22,613)
Owner's equity (deficit), end of year	$ (38,806)

LINN COUNTY AFFORDABLE HOUSING, LLC
IRONWOOD VILLAGE APARTMENTS
SCHEDULE OF ASSETS, LIABILITIES, AND MEMBER'S EQUITY
September 30, 2017

Assets

Current assets		
General operating account	$	26,053
Tax and insurance reserve		7,005
Replacement reserve		89,951
Tenant security deposits		11,415
Accounts receivable (0-30 days), net of allowance of $1,207		3,260
Total current assets		137,684
Capital assets		
Land		261,206
Building and improvements		1,117,773
		1,378,979
Accumulated depreciation		(336,274)
Capital assets, net		1,042,705
Total assets	$	1,180,389

Liabilities and Member's Equity

Current liabilities		
Accounts payable (0-30 days)	$	9,908
Unearned revenues		567
Tenant security deposits		12,083
Total current liabilities		22,558
Notes payable-USDA RD		743,810
Total liabilities		766,368
Member's equity		414,021
Total liabilities and member's equity	$	1,180,389

LINN COUNTY AFFORDABLE HOUSING, LLC
IRONWOOD VILLAGE APARTMENTS
SCHEDULE OF REVENUES AND EXPENSES
For the Year Ended September 30, 2017

Operating revenue		
Rents	$	70,199
Rental assistance received		96,796
Interest subsidy		27,958
Laundry and vending		287
Interest		47
Other		4,132
Total operating revenue		199,419
Operating expenses		
Operating and maintenance:		
Maintenance and repairs		43,054
Payroll		36,319
Payroll taxes and benefits		7,264
Utilities:		
Electricity		3,960
Water		5,181
Sewer		9,314
Garbage and trash removal		4,283
Administrative:		
Management fee		15,456
Telephone and internet		3,849
Office supplies		3,179
Training		786
Taxes and insurance		6,365
Other taxes, licenses, and permits		1,591
RD debt payments		16,727
Interest		42,836
Manager's rent free unit		8,400
Bad debt		518
Miscellaneous		2,216
Total operating expenses		211,298
Net operating income (loss)		(11,879)

LINN COUNTY AFFORDABLE HOUSING, LLC
IRONWOOD VILLAGE APARTMENTS
SCHEDULE OF REVENUES AND EXPENSES, Continued
For the Year Ended September 30, 2017

Non-operating revenues (expenses)	
Other debt payments for non-USDA debt	-
Total non-operating revenues (expenses)	-
Net income (loss) before GAAP reconciliation	(11,879)
Reconciliation to GAAP	
Depreciation	33,531
Principal debt payments	(16,727)
Net loss	$ (28,683)

SOCIETY OF ST. VINCENT DE PAUL OF LANE COUNTY
SCHEDULE OF ASSETS, LIABILITIES, AND NET ASSETS
September 30, 2017

Assets

Current assets	
Cash	$ 135,228
Accounts receivable	123,267
Inventory	370,667
Prepaid expenses	15,630
Total current assets	644,792
Fixed assets	
Buildings and improvements	6,992,605
Equipment and fixtures	622,239
	7,614,844
Accumulated depreciation	(768,866)
Fixed assets, net	6,845,978
Total assets	$ 7,490,770

Liabilities and Net Assets

Current liabilities	
Accounts payable	$ 27,727
Accrued payroll and related liabilities	55,180
Accrued interest	-
Due to related organization	245,069
Total current liabilities	327,976
Long-term liabilities	
Notes payable	8,000,000
Unamortized deferred financing costs	(853,041)
Notes payable, net of unamortized deferred financing costs	7,146,959
Total liabilities	7,474,935
Net assets, unrestricted	15,835
Total liabilities and net assets	$ 7,490,770

SOCIETY OF ST. VINCENT DE PAUL OF LANE COUNTY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS
For the Year Ended September 30, 2017

Unrestricted revenue	
Retail sales	$ 3,406,305
Donations	67,649
Other income	39,434
Total unrestricted revenue	3,513,388
Expenses	
Payroll, benefits, and taxes	2,379,610
Purchases	402,559
Utilities	210,259
Telephone	11,715
Repairs and maintenance	53,839
Operating supplies	33,587
Insurance	108
Professional services	2,520
Taxes, licenses, and fees	64,423
Interest expense	137,611
Advertising	1,026
Travel, conferences, and meetings	681
Vehicle expenses	22,782
Depreciation	277,947
Total expenses	3,598,667
Change in net assets, unrestricted	(85,279)
Net assets, unrestricted, beginning of year	101,114
Net assets, unrestricted, end of year	$ 15,835