

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

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For the Years Ended September 30, 2019 and 2018



ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
For the Years Ended September 30, 2019 and 2018

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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, 2019 and 2018, 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.

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, 2019 and 2018, 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 13, 2020 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.
Eugene, Oregon
February 13, 2020

CONSOLIDATED FINANCIAL STATEMENTS

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current assets		
Unrestricted cash and cash equivalents	\$ 945,076	\$ 882,645
Restricted cash and cash equivalents (Note 2)	<u>7,494,191</u>	<u>8,331,658</u>
Total cash and cash equivalents	8,439,267	9,214,303
Accounts receivable, net	1,876,889	1,670,535
Accounts receivable, related parties, net	224,557	257,999
Current portion of development fee receivable, related parties (Note 9)	-	568,418
Prepaid expenses and deposits	448,134	643,984
Inventory	5,231,020	4,705,786
Current portion of interest receivable, related parties	<u>71,448</u>	<u>59,539</u>
Total current assets	<u>16,291,315</u>	<u>17,120,564</u>
Fixed assets, net (Note 4)	<u>70,645,963</u>	<u>54,890,393</u>
Other assets		
Notes receivable, Rural Housing Rehabilitation Program (RHRP), net (Note 6)	2,813,689	2,625,212
Notes receivable, Self-help Homeownership Opportunity Program (SHOP)	438,445	401,146
Notes receivable, related parties (Note 9)	4,916,442	6,118,909
Notes receivable, other	40,000	40,000
Long-term portion of interest receivable, related parties, net (Note 9)	386,568	442,931
Long-term portion of development fees receivable, related parties, net (Note 9)	42,550	207,392
Assets held for sale (Note 5)	38,131	205,964
Investments (Note 3)	4,231,965	5,617,539
Beneficial interest in the net assets of related organization	<u>4,893,789</u>	<u>4,893,789</u>
Total other assets	<u>17,801,579</u>	<u>20,552,882</u>
Total assets	<u><u>\$ 104,738,857</u></u>	<u><u>\$ 92,563,839</u></u>

	<u>2019</u>	<u>2018</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,520,459	\$ 1,128,381
Payroll and related accruals	816,111	885,622
Security deposits payable	441,699	371,268
Deferred revenue	154,255	131,997
Accrued interest	76,249	79,343
Lines of credit (Note 7)	1,173,975	1,030,543
Current portion of long-term debt (Note 8)	<u>3,113,842</u>	<u>2,625,715</u>
 Total current liabilities	 7,296,590	 6,252,869
Long-term liabilities		
Long-term debt, net of current portion and unamortized deferred financing costs (Note 8)	<u>41,620,895</u>	<u>34,252,768</u>
 Total liabilities	 <u>48,917,485</u>	 <u>40,505,637</u>
Net assets		
Without donor restrictions	16,077,903	17,055,601
With donor restrictions (Note 13)	<u>39,743,469</u>	<u>35,002,601</u>
 Total net assets	 <u>55,821,372</u>	 <u>52,058,202</u>
 Total liabilities and net assets	 <u><u>\$ 104,738,857</u></u>	 <u><u>\$ 92,563,839</u></u>

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, 2019 and 2018

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Contributions	\$ 717,550	\$ 1,383,627	\$ 2,101,177
Contributions, in-kind	2,264,739	-	2,264,739
Retail sales, net	20,843,020	-	20,843,020
Grants	-	11,519,665	11,519,665
Rent income, net	6,093,140	-	6,093,140
Contract services	5,917,696	-	5,917,696
Interest income on notes receivable	313,502	-	313,502
Gain (loss) on investments	(8,118)	-	(8,118)
Gain on sale of property	623,853	-	623,853
Management fees and partnership reimbursements	773,555	-	773,555
Developer fee income	-	-	-
Other	627,536	-	627,536
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>8,162,424</u>	<u>(8,162,424)</u>	<u>-</u>
 Total revenues, gains, and other support	 <u>46,328,897</u>	 <u>4,740,868</u>	 <u>51,069,765</u>
Expenses			
General, manufacturing, retail, warehouses, and recycling	27,266,512	-	27,266,512
Housing	11,338,541	-	11,338,541
Services and training	5,583,622	-	5,583,622
Development	470,028	-	470,028
Management and general	<u>2,647,892</u>	<u>-</u>	<u>2,647,892</u>
 Total expenses	 <u>47,306,595</u>	 <u>-</u>	 <u>47,306,595</u>
 Change in net assets	 (977,698)	 4,740,868	 3,763,170
 Net assets, beginning of year	 <u>17,055,601</u>	 <u>35,002,601</u>	 <u>52,058,202</u>
 Net assets, end of year	 <u>\$ 16,077,903</u>	 <u>\$ 39,743,469</u>	 <u>\$ 55,821,372</u>

2018		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 325,843	\$ 5,339,185	\$ 5,665,028
2,895,642	-	2,895,642
19,735,357	-	19,735,357
-	6,908,005	6,908,005
4,769,960	-	4,769,960
4,896,606	-	4,896,606
344,370	-	344,370
(454,329)	-	(454,329)
154,097	-	154,097
723,231	-	723,231
785,527	-	785,527
744,545	-	744,545
<u>6,787,498</u>	<u>(6,787,498)</u>	<u>-</u>
<u>41,708,347</u>	<u>5,459,692</u>	<u>47,168,039</u>
24,130,160	-	24,130,160
9,811,313	-	9,811,313
4,414,186	-	4,414,186
396,475	-	396,475
<u>2,460,099</u>	<u>-</u>	<u>2,460,099</u>
<u>41,212,233</u>	<u>-</u>	<u>41,212,233</u>
496,114	5,459,692	5,955,806
<u>16,559,487</u>	<u>29,542,909</u>	<u>46,102,396</u>
<u>\$ 17,055,601</u>	<u>\$ 35,002,601</u>	<u>\$ 52,058,202</u>

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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 3,763,170	\$ 5,955,806
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,538,968	2,095,684
Amortization of deferred financing costs	70,460	67,652
Noncash donations of investments and fixed assets	(341,838)	(1,156,103)
Net change in allowance for receivables	41,028	(60,616)
Net gain on disposal of fixed assets	(623,853)	(154,097)
Unrealized (gain) loss on investments	8,118	454,329
(Increase) decrease in:		
Accounts receivable	(205,730)	859,433
Accounts receivable, related parties	(62,148)	(106,184)
Prepaid expenses and deposits	187,398	100,268
Inventory	(525,234)	(112,297)
Development fee receivable, related parties	879,089	(711,527)
Interest receivable, related parties	(135,023)	(176,803)
Increase (decrease) in:		
Accounts payable and accrued expenses	381,662	222,955
Payroll and related accruals	(69,511)	50,775
Other liabilities	<u>31,704</u>	<u>(195,906)</u>
Net cash provided by operating activities	<u>5,938,260</u>	<u>7,133,369</u>
Cash flows from investing activities		
Purchase of fixed assets	(14,784,833)	(11,318,208)
Proceeds from sale of fixed assets	777,500	122,766
Purchase of investments	(165,829)	(89,272)
Proceeds from sale of investments	55,211	156,222
Proceeds from assumption of interest in limited partnerships	396,419	282,179
Proceeds from notes receivable, Rural Rehabilitation	122,552	220,797
Issuance of notes receivable, Rural Rehabilitation	(319,616)	(185,885)
Proceeds from notes receivable, SHOP	-	15,846
Issuance of notes receivable, SHOP	(37,299)	(86,307)
Proceeds from notes receivable, related parties	117,800	79,000
Issuance of notes receivable, related parties	(40,000)	(157,933)
Proceeds from sale of assets held for sale	<u>209,672</u>	<u>216,049</u>
Net cash used by investing activities	<u>(13,668,423)</u>	<u>(10,744,746)</u>

	2019	2018
Cash flows from financing activities		
Payments on long-term debt	(1,375,166)	(2,084,372)
Proceeds from issuance of long-term debt	8,278,270	8,960,000
Net draws on line of credit	143,432	791,353
Payments of loan fees	(91,409)	(117,472)
Net cash provided by financing activities	6,955,127	7,549,509
Net increase (decrease) in cash and cash equivalents	(775,036)	3,938,132
Cash and cash equivalents, beginning of year	9,214,303	5,276,171
Cash and cash equivalents, end of year	<u>\$ 8,439,267</u>	<u>\$ 9,214,303</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 1,396,815</u>	<u>\$ 1,294,837</u>
Supplemental disclosure of noncash investing transactions		
Total acquisition of property and equipment	\$ 18,490,024	\$ 14,640,152
Noncash donation of property and equipment	-	(1,000,000)
Noncash assumption of property and equipment	(3,705,191)	(2,321,944)
Total cash paid for property and equipment	<u>\$ 14,784,833</u>	<u>\$ 11,318,208</u>
Total increases to investments	\$ 187,647	\$ 245,624
Donated stock	(29,936)	(156,103)
Unrealized (gain) loss on investments	8,118	(249)
Net cash paid for purchase of investments	<u>\$ 165,829</u>	<u>\$ 89,272</u>
Total sale or disposal of investments	\$ 1,573,221	\$ 830,793
Impairment of investment interest	-	(454,578)
Decrease due to transfer of interest in limited partnership	(1,518,010)	(219,993)
Net proceeds from sale of investments	<u>\$ 55,211</u>	<u>\$ 156,222</u>
Total reduction of notes receivable, related parties	\$ 1,242,467	\$ 459,833
Noncash payment due to transfer of interest in limited partnership	(1,124,667)	(380,833)
Total cash received from notes receivable, related parties	<u>\$ 117,800</u>	<u>\$ 79,000</u>
Supplemental disclosure of noncash financing transactions		
Total proceeds from issuance of long-term debt	\$ 9,252,369	\$ 10,530,322
Assumption of long-term debt	(974,099)	(1,570,322)
Total cash proceeds from issuance of long-term debt	<u>\$ 8,278,270</u>	<u>\$ 8,960,000</u>

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, 2019

	Program Services			
	General, Manufacturing, Retail, Warehouses, and Recycling	Housing	Services and Training	Total Program Services
Payroll	\$ 13,420,890	\$ 2,736,459	\$ 2,174,464	\$ 18,331,813
Payroll taxes and benefits	2,572,750	503,037	401,209	3,476,996
Purchases and handling	1,943,092	-	-	1,943,092
Utilities	1,353,081	980,828	297,825	2,631,734
Client assistance	-	1,173,429	698,919	1,872,348
Client assistance, in-kind food	-	-	1,065,010	1,065,010
Telephone	173,215	106,437	52,079	331,731
Repairs and maintenance	564,533	1,182,595	97,959	1,845,087
Supplies and office expenses	775,475	85,353	201,672	1,062,500
Rent	2,158,003	70,964	25,376	2,254,343
Insurance	247,931	291,873	74,988	614,792
Professional services	147,488	312,555	23,486	483,529
Licenses, taxes, and fees	764,521	328,108	8,210	1,100,839
Interest expense	536,177	617,604	-	1,153,781
Provision for loan loss and bad debt	51,278	51,687	3,100	106,065
Advertising	221,300	3,596	3,455	228,351
Travel, conferences, and meetings	471,371	90,208	38,649	600,228
Vehicles	634,347	34,066	68,114	736,527
Special events	-	-	-	-
Grants to others	8,661	316,315	-	324,976
Other costs	84,679	882,952	174,944	1,142,575
Contracted services and labor	<u>371,668</u>	<u>-</u>	<u>-</u>	<u>371,668</u>
 Total functional expenses before depreciation	 26,500,460	 9,768,066	 5,409,459	 41,677,985
 Depreciation	 <u>766,052</u>	 <u>1,570,475</u>	 <u>174,163</u>	 <u>2,510,690</u>
 Total functional expenses	 <u>\$ 27,266,512</u>	 <u>\$ 11,338,541</u>	 <u>\$ 5,583,622</u>	 <u>\$ 44,188,675</u>

Support Services		
Development	Management and General	Total Expenses
\$ 301,422	\$ 1,793,430	\$ 20,426,665
56,131	340,060	3,873,187
-	-	1,943,092
1,314	78,466	2,711,514
544	-	1,872,892
-	-	1,065,010
3,829	8,515	344,075
-	-	1,845,087
27,007	64,539	1,154,046
-	-	2,254,343
-	23,350	638,142
-	65,936	549,465
13,624	87,416	1,201,879
-	157,902	1,311,683
-	-	106,065
-	-	228,351
630	-	600,858
-	-	736,527
57,777	-	57,777
-	-	324,976
7,750	-	1,150,325
-	-	371,668
470,028	2,619,614	44,767,627
-	28,278	2,538,968
<u>\$ 470,028</u>	<u>\$ 2,647,892</u>	<u>\$ 47,306,595</u>

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, 2018

	Program Services			
	General, Manufacturing, Retail, Warehouses, and Recycling	Housing	Services and Training	Total Program Services
Payroll	\$ 11,893,158	\$ 2,632,720	\$ 1,345,964	\$ 15,871,842
Payroll taxes and benefits	2,398,970	512,465	262,317	3,173,752
Purchases and handling	1,504,642	-	-	1,504,642
Utilities	1,153,563	875,586	183,216	2,212,365
Client assistance	-	1,031,286	864,550	1,895,836
Client assistance, in-kind food	-	-	1,125,931	1,125,931
Telephone	164,011	101,524	39,420	304,955
Repairs and maintenance	463,299	1,296,948	46,133	1,806,380
Supplies and office expenses	739,986	108,447	122,221	970,654
Rent	1,803,278	85,476	23,157	1,911,911
Insurance	225,816	196,761	71,427	494,004
Professional services	107,367	211,687	31,553	350,607
Licenses, taxes, and fees	688,843	245,326	21,202	955,371
Interest expense	504,568	507,433	-	1,012,001
Provision for loan loss and bad debt	31,489	27,134	18,811	77,434
Advertising	232,400	3,176	5,162	240,738
Travel, conferences, and meetings	410,812	90,303	36,434	537,549
Vehicles	619,542	43,767	38,208	701,517
Special events	-	-	-	-
Grants to others	-	400,192	-	400,192
Other costs	122,422	191,506	49,559	363,487
Contracted services and labor	<u>374,729</u>	<u>-</u>	<u>-</u>	<u>374,729</u>
 Total functional expenses before depreciation	 23,438,895	 8,561,737	 4,285,265	 36,285,897
 Depreciation	 <u>691,265</u>	 <u>1,249,576</u>	 <u>128,921</u>	 <u>2,069,762</u>
 Total functional expenses	 <u>\$ 24,130,160</u>	 <u>\$ 9,811,313</u>	 <u>\$ 4,414,186</u>	 <u>\$ 38,355,659</u>

Support Services		
Development	Management and General	Total Expenses
\$ 250,246	\$ 1,670,653	\$ 17,792,741
42,606	284,892	3,501,250
-	-	1,504,642
839	100,383	2,313,587
316	-	1,896,152
-	-	1,125,931
2,770	14,503	322,228
-	-	1,806,380
31,645	64,293	1,066,592
-	5,156	1,917,067
-	19,636	513,640
-	47,810	398,417
2,043	78,151	1,035,565
-	148,700	1,160,701
-	-	77,434
600	-	241,338
50	-	537,599
-	-	701,517
57,860	-	57,860
-	-	400,192
7,500	-	370,987
-	-	374,729
396,475	2,434,177	39,116,549
-	25,922	2,095,684
<u>\$ 396,475</u>	<u>\$ 2,460,099</u>	<u>\$ 41,212,233</u>

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

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL 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.

Recent Accounting Standard Adopted

During the year ended September 30, 2019, the Organization adopted the provisions of the Financial Accounting Standards Board’s (FASB) Accounting Standards Update (ASU) No. 2016-14: *Presentation of Financial Statements for Not-for-Profit Entities*. The standard was applied on a retrospective basis. In addition to changes in terminology used to describe categories of net assets throughout the consolidated financial statements, new disclosures were added regarding liquidity and availability of resources. The September 30, 2018 consolidated financial statements have been restated to conform to the presentation and disclosure requirements of ASU 2016-14, with no change to total net assets.

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:

Net assets without donor restrictions – Net assets are not subject to donor-imposed stipulations.

Net assets with donor restrictions – 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. As of September 30, 2019 and 2018, the Organization had \$39,743,469 and \$35,002,601, respectively, of net assets with donor restrictions due to action or passage of time. Net assets with donor restrictions also include amounts perpetually restricted by the donor; however, the Organization has no net assets with perpetual donor restrictions.

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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.

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, 2019 and 2018, accounts receivable is presented net of an allowance of \$-0- and \$1,207, 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, 2019 and 2018, accounts receivable, related parties is presented net of an allowance of \$-0- and \$595,183, respectively.

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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 estimated value of donated inventory received throughout the year.

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 percent directly or indirectly by the Organization. As of September 30, 2019 and 2018, the Organization was the General Partner for 8 limited partnerships and 10 limited partnerships, respectively, for which the Organization owned a less than 50 percent interest (see Note 3). The partnerships were formed to construct and operate affordable housing complexes. Investments in partnerships for which there is a less than 50 percent 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. Investments owned 100 percent directly or indirectly by the Organization are accounted for using the consolidation method of accounting under which inter-company transactions are eliminated.

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 5 to 7 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.

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 U.S. 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.

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is recorded as an increase in net assets with donor restrictions as either restricted by action or passage of time, or perpetually, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as a release from restriction.

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

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.

Rent income is recognized in the month in which the space is rented by residential and/or commercial tenants.

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 60,199 hours and 25,000 hours were donated by unpaid volunteers in 2019 and 2018, respectively. No amounts have been reflected in the consolidated financial statements for these donated hours.

Advertising Costs

The Organization's advertising costs are expensed as incurred.

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. For facilities related expenses, amounts are allocated based on the estimated relative square footage used for program and support services. Other expenses are allocated based on actual time incurred by employees for program and support services.

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

	<u>2019</u>	<u>2018</u>
Unrestricted cash and cash equivalents	\$ 945,076	\$ 2,888,075
Restricted cash and cash equivalents	<u>7,494,191</u>	<u>6,326,228</u>
Total cash and cash equivalents	<u>\$ 8,439,267</u>	<u>\$ 9,214,303</u>

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 \$8,719,877 and \$10,056,261 for the years ended September 30, 2019 and 2018, respectively. Of these deposits, \$3,441,994 and \$3,233,243 were covered by federal depository insurance at September 30, 2019 and 2018, respectively. Balances of \$5,277,883 and \$6,823,018 as of September 30, 2019 and 2018, 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:

	<u>2019</u>	<u>2018</u>
Alona Place Limited Partnership	\$ 100,690	\$ 100,711
Aurora Housing Limited Partnership	-	1,330,684
Bascom Village Limited Partnership	1,246,861	1,246,881
Corey Commons Limited Partnership	-	187,326
Heather Glen Limited Partnership	(86)	(69)
Lamb Building Limited Partnership	1,116,831	1,117,256
Myrtlewood Limited Partnership	114,670	114,689
Royal Building Limited Partnership	324,225	158,416
Santa Clara Limited Partnership	537,154	537,177
Stellar Apartments Limited Partnership	745,844	745,865
Other investments	<u>45,776</u>	<u>78,603</u>
Total investments	<u>\$ 4,231,965</u>	<u>\$ 5,617,539</u>

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. Investments, continued

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, 2018 and 2017 were as follows:

	2018	2017
Total assets	\$ 60,053,412	\$ 59,156,512
Total liabilities	22,002,196	19,102,231
Net loss	(1,883,707)	(1,931,222)

4. Fixed Assets

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

	2019	2018
Land	\$ 24,158,125	\$ 17,016,612
Buildings and improvements	59,712,492	48,254,318
Equipment	4,793,462	4,343,664
Landscaping	64,476	38,483
Construction in progress and assets in development	669,264	1,549,533
	89,397,819	71,202,610
Accumulated depreciation	(18,751,856)	(16,312,217)
Fixed assets, net	<u>\$ 70,645,963</u>	<u>\$ 54,890,393</u>

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 (RHRP)

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 percent 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. The notes receivable are presented net of an allowance for uncollectible accounts of \$240,667 and \$232,080, for the years ended September 30, 2019 and 2018, respectively. All loans are considered to be long-term.

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. Lines of Credit

At September 30, 2019, the Organization has three revolving lines of credit totaling \$1,650,000 with Banner Bank that mature July 2020. Interest is payable monthly based on a variable rate index and is subject to minimum and maximum rate limitations (effective rate of 5.625 percent and 5.125 percent at September 30, 2019 and 2018, respectively). Collateral is provided by accounts receivable, inventory, and equipment. At September 30, 2019 and 2018, outstanding borrowings on the revolving lines of credit were \$1,173,975 and \$1,030,543, respectively, and the amount available on the lines of credit was \$476,025 and \$619,457, 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, 2019 and 2018.

8. Long-term Debt

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

	<u>2019</u>	<u>2018</u>
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.	\$ 8,995,779	\$ 9,067,071
Notes payable, Umpqua Bank, with monthly payments of \$418 to \$3,032 including interest at 4.35% to 5.50%, due at various dates from July 2021 through April 2031, secured by real estate.	1,138,637	1,185,848
Note payable, state of Oregon, OFA Bond, with monthly payments of \$18,018, including interest at 3.40%, due November 2025, secured by real estate.	3,079,855	3,187,912
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 July 2029 through July 2038 or when the underlying property is sold, secured by real estate.	1,791,351	1,849,670
Note payable, state of Oregon, OECD, with annual payments of \$14,070, including interest at 5.35%, due December 2029, secured by real estate.	1,329,895	1,424,810
Notes payable, Banner Bank, with monthly payments of \$531 to \$43,403, including interest at 2.25% to 7.00%, due at various dates from January 2021 through April 2043, secured by real estate, other assets, and assignment of rents.	11,675,347	12,056,410

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. Long-term Debt, continued

	<u>2019</u>	<u>2018</u>
Notes payable, Bank of America, with monthly payments of \$1,714 to \$4,278, including interest at 3.72% to 4.68%, due at various dates from March 2027 through May 2030, secured by real estate.	1,242,636	1,339,763
Notes payable, Network of Affordable Housing (NOAH), with monthly payments of \$-0- to \$19,726, including interest at 1.50% to 5.00%, due at various dates from June 2020 through August 2039, secured by real estate.	9,701,491	3,310,026
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 April 2040, secured by real estate.	707,395	726,127
Notes payable, Anita B. Stelling, interest only payments with interest at 3.50% to 4.00%, through April 2020 or when underlying property is sold, secured by real estate.	584,000	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.	280,273	337,424
Notes payable, KeyBank, with monthly payments of \$1,803 and \$3,303, including interest at 4.45% to 5.15%, due at various dates from August 2021 through October 2034, secured by vehicles, equipment, and real estate.	493,530	528,005
Notes payable, Community Frameworks, non-interest bearing, forgivable after various dates from July 2020 through August 2020, secured by real estate.	270,000	270,000
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.	93,997	103,608
Notes payable to various individuals or trusts, with monthly payments of \$-0- to \$669, including interest at 0.00% to 5.28%, due at various dates through December 2026, secured by real estate.	71,332	97,513
Note payable, Columbia Bank, with monthly payments of \$2,829, including interest at 3.99%, due August 2019, secured by real property.	-	27,584
Note payable, city of Salem, with monthly payments of \$417, non-interest bearing, due January 2034, secured by real estate.	71,388	76,387

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. Long-term Debt, continued

	<u>2019</u>	<u>2018</u>
Notes payable, Summit Bank, with monthly payments of \$766 to \$5,789, including interest at 3.75% to 4.21%, due at various dates from September 2026 to July 2034, secured by real estate.	789,422	62,256
Note payable, Oregon Community Foundation, no monthly payments, non-interest bearing to October 2019, interest at 1.00% beginning thereafter, escalating one percent annually until maturity, due October 2023, secured by real estate.	320,000	320,000
Note payable, city of Portland, no monthly payments, non-interest bearing, due November 2079, secured by real estate.	3,213,319	1,318,030
Note payable, Liguori, interest-only payments at 6.00% with lump sum due December 2020, secured by real estate.	<u>50,000</u>	<u>50,000</u>
	45,899,647	38,022,444
Unamortized deferred financing costs	(1,164,910)	(1,143,961)
Current portion	<u>(3,113,842)</u>	<u>(2,625,715)</u>
Long-term debt, net of current portion and unamortized deferred financing costs	<u>\$ 41,620,895</u>	<u>\$ 34,252,768</u>

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

For the Year Ending September 30,

2020	\$ 3,113,842
2021	2,646,505
2022	2,218,868
2023	2,084,422
2024	1,928,520
Thereafter	<u>33,907,490</u>
Total	<u>\$ 45,899,647</u>

The notes payable require certain covenants related to cash flow, debt service coverage, and financial reporting to the lending institutions. As of September 30, 2019 and 2018, the Organization's management believes the Organization was in compliance with all such covenants.

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. Related Party Transactions

Notes Receivable, Related Parties

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

	<u>2019</u>	<u>2018</u>
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
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.	217,474	279,274
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
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 2.00% 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 3.00% 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, 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.	757,510	813,510
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.	<u>400,000</u>	<u>360,000</u>
Notes receivable, related parties	<u>\$ 4,916,442</u>	<u>\$ 6,118,909</u>

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. Related Party Transactions, continued

Notes Receivable, Related Parties, continued

Total interest income from these notes was \$165,269 and \$201,305 for the years ended September 30, 2019 and 2018, respectively. Total accrued interest on the notes receivable net of the allowance was \$458,016 and \$502,470 for the years ended September 30, 2019 and 2018, respectively. Total accrued interest is reported net of allowance of \$652,860 and \$1,186,622 for the years ended September 30, 2019 and 2018, respectively.

Development Fees Receivable, Related Parties

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

	<u>2019</u>	<u>2018</u>
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.	\$ 24,093	\$ 29,093
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
Myrtlewood Limited Partnership, \$568,418 will be paid in 2019 from capital proceeds; the remainder of \$142,109 will be paid from available cash flow and accrues interest at 8.00% per annum. The fee is to be paid in full no later than September 2048.	2,267	710,527
Lamb Building Limited Partnership, payments are subject to the partnership having available cash flow.	<u>16,190</u>	<u>16,190</u>
	42,550	921,639
Allowance for uncollectible developer fees	-	(145,829)
Current portion	<u>-</u>	<u>(568,418)</u>
Development fees receivable, related parties, net of current portion and allowance for uncollectible developer fees	<u>\$ 42,550</u>	<u>\$ 207,392</u>

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, 2019 and 2018, there were 8 and 10 limited partnerships, respectively. Income from property management totaled \$773,555 and \$723,231 for the years ended September 30, 2019 and 2018, respectively.

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 August 2036. Total rent expense for the years ended September 30, 2019 and 2018 was \$2,254,343 and \$1,917,067, including \$1,785,249 and \$1,528,815, respectively, for all facilities under non-cancelable operating leases.

At September 30, 2019, future minimum lease payments under such leases were as follows:

<u>For the Year Ending September 30,</u>	
2020	\$ 1,776,315
2021	1,576,664
2022	1,591,952
2023	1,541,775
2024	1,583,508
Thereafter	<u>3,276,293</u>
Total	<u>\$ 11,346,507</u>

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, 2019 and 2018, noncash donations were comprised of the following:

	<u>2019</u>	<u>2018</u>
Building	\$ -	\$ 1,000,000
Food	1,086,162	1,125,930
Cars	269,420	340,054
Other goods	888,157	408,658
Use of facilities	<u>21,000</u>	<u>21,000</u>
Contributions, in-kind	<u>\$ 2,264,739</u>	<u>\$ 2,895,642</u>

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	<u>2019</u>	<u>2018</u>
Services and Training program:		
General	\$ 640,232	\$ 246,081
Buildings and equipment	<u>6,322,960</u>	<u>5,992,530</u>
Total Services and Training program	<u>6,963,192</u>	<u>6,238,611</u>
Housing program:		
General	3,753,850	4,650,515
Buildings and equipment	21,504,197	14,562,076
Assets held for sale	38,131	205,964
Notes receivable – RHRP	2,813,689	2,625,212
Notes receivable – RHRP Opportunity Program	438,445	401,146
Investments in low income housing projects	<u>4,231,965</u>	<u>5,586,219</u>
Total Housing program	<u>32,780,277</u>	<u>28,031,132</u>
Other program:		
General – maintenance reserve	<u>-</u>	<u>732,858</u>
Total net assets with donor restrictions	<u>\$ 39,743,469</u>	<u>\$ 35,002,601</u>

14. 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:

	<u>2019</u>	<u>2018</u>
Cash and reserves	\$ 328,615	\$ 297,949
Accounts receivable	4,235	155
Prepaid expenses	5,399	4,005
Land, building, and leasehold improvements, net of accumulated depreciation of \$1,721,318 in 2019 and \$1,575,991 in 2018	<u>4,586,400</u>	<u>4,731,727</u>
Total assets	<u>\$ 4,924,649</u>	<u>\$ 5,033,836</u>
Accounts payable and other liabilities	\$ 33,996	\$ 31,794
Net assets	<u>4,890,653</u>	<u>5,002,042</u>
Total liabilities and net assets	<u>\$ 4,924,649</u>	<u>\$ 5,033,836</u>

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15. Assumption of Limited Partnerships

During the year ended September 30, 2019, De Paul PM, LLC, a wholly owned subsidiary of the Organization, was assigned the exiting limited partners' ownership interest in Aurora Housing Limited Partnership and Corey Commons Limited Partnership. At the time the interest was assigned, the partnerships 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.

During the year ended September 30, 2018, De Paul PM, LLC, a wholly owned subsidiary of the Organization, was assigned the exiting limited partners' ownership interest in Four Oaks Limited Partnership, Hazel Court Limited Partnership, Stayton Manor Limited Partnership, and Wallerwood Limited Partnership. At the time the interest was assigned, the partnerships 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.

16. Liquidity and Availability of Resources

The Organization has a policy to manage its liquidity and reserves in order to meet its needs to fund operating expenditures. At September 30, 2019, the Organization's financial assets, reduced by amounts not available for general expenditures within one year, are comprised of the following:

Unrestricted cash and cash equivalents	\$ 945,076
Receivables:	
Accounts receivable, net	1,876,889
Accounts receivable, related parties, net	224,557
Current portion of interest receivable, related parties	<u>71,448</u>
Financial assets available for general expenditure	<u>\$ 3,117,970</u>

As noted in Note 7, the Organization has access to lines of credit up to \$1,650,000, in total that could be drawn on in the event additional liquid financial assets were needed for operations.

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.

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, 2019

Federal Grantor/Pass-through Grantor/Program Title	Contract / Loan Number	Federal CFDA Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
<i>Food Distribution Cluster</i>				
Passed-through Food for Lane County, Inc.: Emergency Food Assistance Program		10.569	\$ 237,652	\$ -
U.S. Department of Housing and Urban Development				
<i>CDBG - Entitlement Grants Cluster</i>				
Passed-through Lane County:				
Community Development Block Grant/Entitlement Grants	53451, 53454	14.218	67,831	-
Passed-through city of Portland:				
Community Development Block Grant/Entitlement Grants	3110285	14.218	3,213,319	-
Total CDBG - Entitlement Grants Cluster			3,281,150	-
Passed-through city of Cottage Grove:				
Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	CG1	14.228	84,874	-
Passed-through Lane County:				
Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	HR410	14.228	51	-
Passed-through city of Florence:				
Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	HR505	14.228	594	-
Passed-through city of Lowell:				
Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	HR020021	14.228	139	-
Passed-through city of Junction City:				
Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	HR805	14.228	8,647	-
Passed-through city of Oakridge:				
Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	H010007, HR608	14.228	5,649	-
Passed-through city of Veneta:				
Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	H16013	14.228	214,087	-
Passed-through Lane County:				
Emergency Solutions Grant Program	53451,53454	14.231	155,865	-
Passed-through city of Eugene:				
Home Investment Partnerships Program	2019-02171, 2016-02187	14.239	89,027	-
Passed-through Community Frameworks:				
Self-Help Homeownership Opportunity Program	SVDP-07-01, SVDP-08-01	14.247	276,701	-
Direct Award -				
Continuum of Care Program - Connections	OR0003L0E001710, OR0003L0E001811	14.267	220,103	-
Continuum of Care Program - LIFT	OR0009L0E001710, OR0015L0E001811	14.267	274,253	-

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended September 30, 2019

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Contract / Loan Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
U.S. Department of Housing and Urban Development, continued				
Direct Award, continued				
Continuum of Care Program - Vet LIFT	OR0015LOE001710, OR0015LOE001811	14.267	193,978	-
Continuum of Care Program - First Place Family Center	OR0180LOE001704	14.267	30,998	-
Passed-through Mainstream Housing Inc.:				
Continuum of Care Program - Home Space / Emerald Options		14.267	15,369	-
Total U.S. Department of Housing and Urban Development			<u>4,851,485</u>	<u>-</u>
U.S. Department of Labor				
Direct Award - Homeless Veterans Reintegration Program	HV-30899-17-60-5-41, HV-30695-17-60-5-41	17.805	<u>217,899</u>	<u>-</u>
U.S. Department of the Treasury				
Passed-through Network for Oregon Affordable Housing:				
Community Development Financial Institutions Program	1003226, 1003233 1003241, 1003345	21.020	<u>1,542,455</u>	<u>-</u>
General Services Administration				
Direct Award - Donation of Federal Surplus Personal Property		39.003	<u>280,261</u>	<u>-</u>
U.S. Department of Veterans Affairs				
Direct Award - Veteran Rehabilitation - Alcohol and Drug Dependence	VA260-16-R-0500	64.019	131,555	-
Direct Award - VA Homeless Providers Grant and Per Diem Program	60-30-OR	64.024	191,182	-
Direct Award - VA Supportive Services for Veteran Families	18-OR-066	64.033	<u>1,339,138</u>	<u>316,315</u>
Total U.S. Department of Veteran Affairs			<u>1,661,875</u>	<u>316,315</u>
Environmental Protection Agency				
Passed-through Oregon Business Development Department:				
Capitalization Grants for Drinking Water State Revolving Funds	R17009	66.468	<u>4,190</u>	<u>-</u>
U.S. Department of Health and Human Services				
Passed-through Lane County:				
Low-Income Home Energy Assistance	53471	93.568	<u>10,447</u>	<u>-</u>
U.S. Department of Homeland Security				
Direct Award - Emergency Food and Shelter National Board Program		97.024	<u>10,287</u>	<u>-</u>
Total federal awards			<u>\$ 8,816,551</u>	<u>\$ 316,315</u>

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2019

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, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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.

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended September 30, 2019

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, 2019, the outstanding loan balances on such loans were as follows:

<u>Federal Agency</u>	<u>Program Title</u>	<u>CFDA Number</u>	<u>Outstanding Balance</u>
U.S. Department of Housing and Urban Development: Passed- through city of Portland	Community Development Block Grant	14.218	\$ 3,213,319
U.S. Department of Housing and Urban Development: Passed- through Community Frameworks	Self-Help Home Ownership Opportunity Program	14.247	270,000
U.S. Department of the Treasury: Passed-through Network for Oregon Affordable Housing	Community Development Financial Institutions Program	21.020	<u>1,521,441</u>
			<u>\$ 5,004,760</u>

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.

**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, 2019 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 13, 2020.

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.

A handwritten signature in black ink that reads "Jones & Roth P.C." in a cursive, stylized font.

Jones & Roth, P.C.
Eugene, Oregon
February 13, 2020

**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, 2019. 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* (CFR) 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, 2019.

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.
Eugene, Oregon
February 13, 2020

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2019

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, 2019.
- 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:

U.S. Department of Housing and Urban Development CDBG Entitlement Grants Cluster - Community Development Block Grant/Entitlement Grants	CFDA # 14.218
U.S. Department of Housing and Urban Development Community Development Block Grants/ State's Program And Non-entitlement Grants in Hawaii	CFDA # 14.228
U.S. Department of the Treasury Community Development Financial Institutions Program	CFDA # 21.020

- The threshold for distinguishing between Type A and Type B programs was \$750,000.
- The Organization qualified as a low-risk auditee.

Findings – Consolidated Financial Statement Audit

None.

Findings and Questioned Costs – Major Federal Award Programs Audit

None.

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2019

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, 2019

	Skinner Butte	Hope Circle	Mac McDonald	Ross Lane
Revenues				
Rental income, net of vacancies	\$ 205,344	\$ 77,827	\$ 122,786	\$ 216,405
Laundry income	981	-	-	3,024
Other income	5,007	-	4,888	2,601
Interest income	-	-	-	-
	<u>211,332</u>	<u>77,827</u>	<u>127,674</u>	<u>222,030</u>
Expenses				
Salaries, payroll taxes and benefits	36,375	5,328	14,892	37,666
Utilities	24,533	296	1,362	24,813
Security service fee	-	-	-	-
Garbage	2,853	-	-	12,892
Office supplies and expense	91	-	-	-
Telecommunications	2,355	-	-	3,343
Insurance	5,180	5,462	-	-
Repairs and maintenance	15,952	10,457	14,722	13,670
Landscaping	-	2,400	12,000	10,200
Operating supplies	-	-	-	310
Professional services	2,041	-	-	817
Fees, licenses, and taxes	4,409	2,942	1,698	3,429
Interest expense	-	-	14,639	16,344
Property management fees	-	-	-	-
Resident services	-	-	-	-
Other operating expenses	-	-	-	-
	<u>93,789</u>	<u>26,885</u>	<u>59,313</u>	<u>123,484</u>
Total expenses before depreciation	<u>93,789</u>	<u>26,885</u>	<u>59,313</u>	<u>123,484</u>
Net income before depreciation	<u>117,543</u>	<u>50,942</u>	<u>68,361</u>	<u>98,546</u>
Depreciation	<u>29,627</u>	<u>37,217</u>	<u>67,952</u>	<u>114,525</u>
Total expenses	<u>123,416</u>	<u>64,102</u>	<u>127,265</u>	<u>238,009</u>
Net income (loss)	<u>\$ 87,916</u>	<u>\$ 13,725</u>	<u>\$ 409</u>	<u>\$ (15,979)</u>

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF REVENUES AND EXPENSES FOR SELECT RENTAL PROPERTIES, Continued
For the Year Ended September 30, 2019

	Blue Belle I	Blue Belle II	Hilyard Terrace	Oak Terrace
Revenues				
Rental income, net of vacancies	\$ 59,326	\$ 17,801	\$ 126,196	\$ 245,674
Laundry income	-	-	1,585	3,952
Other income	446	134	1,942	2,620
Interest income	-	-	5	29
	<u>59,772</u>	<u>17,935</u>	<u>129,728</u>	<u>252,275</u>
Expenses				
Salaries, payroll taxes and benefits	2,456	737	-	35,020
Utilities	2,100	630	8,666	42,914
Security service fee	-	-	-	-
Garbage	2,660	798	4,229	18,592
Office supplies and expense	-	-	336	503
Telecommunications	1,447	434	-	-
Insurance	4,060	1,218	8,248	13,414
Repairs and maintenance	1,602	481	17,675	41,233
Landscaping	6,497	1,950	12,757	2,172
Operating supplies	-	-	-	-
Professional services	1,126	338	3,023	603
Fees, licenses, and taxes	988	296	1,393	2,828
Interest expense	-	-	6,422	17,174
Property management fees	-	-	10,165	22,993
Resident services	-	-	7,544	2,635
Other operating expenses	-	-	574	7,171
	<u>22,936</u>	<u>6,882</u>	<u>81,032</u>	<u>207,252</u>
Total expenses before depreciation	<u>22,936</u>	<u>6,882</u>	<u>81,032</u>	<u>207,252</u>
Net income before depreciation	<u>36,836</u>	<u>11,053</u>	<u>48,696</u>	<u>45,023</u>
Depreciation	<u>25,049</u>	<u>7,516</u>	<u>51,525</u>	<u>66,074</u>
Total expenses	<u>47,985</u>	<u>14,398</u>	<u>132,557</u>	<u>273,326</u>
Net income (loss)	<u>\$ 11,787</u>	<u>\$ 3,537</u>	<u>\$ (2,829)</u>	<u>\$ (21,051)</u>

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF REVENUES AND EXPENSES FOR SELECT RENTAL PROPERTIES, Continued
For the Year Ended September 30, 2019

	Stayton Family	Ash Meadows	Spruce Terrace	Wallerwood
Revenues				
Rental income, net of vacancies	\$ 285,407	\$ 121,881	\$ 207,262	\$ 133,705
Laundry income	88	-	3,908	1,325
Other income	5,530	1,060	959	345
Interest income	<u>31</u>	<u>2</u>	<u>743</u>	<u>28</u>
 Total revenues	 <u>291,056</u>	 <u>122,943</u>	 <u>212,872</u>	 <u>135,403</u>
Expenses				
Salaries, payroll taxes and benefits	28,302	-	4,094	-
Utilities	68,903	3,802	36,566	31,815
Security service fee	-	-	-	4,129
Garbage	1,854	-	11,847	3,551
Office supplies and expense	627	-	106	-
Telecommunications	-	-	-	-
Insurance	17,279	6,704	13,091	4,926
Repairs and maintenance	47,536	22,533	27,178	20,913
Landscaping	-	19,835	8,905	3,450
Operating supplies	-	-	-	-
Professional services	5,318	7,470	4,905	6,288
Fees, licenses, and taxes	15,294	8,416	12,182	2,314
Interest expense	33,007	10,359	14,506	19,240
Property management fees	33,593	13,001	28,447	8,576
Resident services	154	516	164	64
Other operating expenses	<u>8,106</u>	<u>1,024</u>	<u>5,099</u>	<u>2,973</u>
 Total expenses before depreciation	 <u>259,973</u>	 <u>93,660</u>	 <u>167,090</u>	 <u>108,239</u>
 Net income before depreciation	 <u>31,083</u>	 <u>29,283</u>	 <u>45,782</u>	 <u>27,164</u>
Depreciation	<u>69,263</u>	<u>28,999</u>	<u>55,778</u>	<u>20,437</u>
 Total expenses	 <u>329,236</u>	 <u>122,659</u>	 <u>222,868</u>	 <u>128,676</u>
Net income (loss)	<u>\$ (38,180)</u>	<u>\$ 284</u>	<u>\$ (9,996)</u>	<u>\$ 6,727</u>

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF REVENUES AND EXPENSES FOR SELECT RENTAL PROPERTIES, Continued
For the Year Ended September 30, 2019

	<u>Four Oaks</u>	<u>Hazel Court</u>	<u>Stayton Manor</u>
Revenues			
Rental income, net of vacancies	\$ 135,217	\$ 99,426	\$ 88,167
Laundry income	1,015	832	565
Other income	2,780	30	636
Interest income	<u>36</u>	<u>61</u>	<u>60</u>
 Total revenues	 <u>139,048</u>	 <u>100,349</u>	 <u>89,428</u>
Expenses			
Salaries, payroll taxes and benefits	-	-	903
Utilities	31,464	28,586	28,530
Security service fee	4,129	-	-
Garbage	2,856	2,273	2,123
Office supplies and expense	-	-	-
Telecommunications	-	-	-
Insurance	6,446	4,412	4,583
Repairs and maintenance	17,215	20,181	6,916
Landscaping	4,950	3,495	3,495
Operating supplies	-	-	-
Professional services	4,267	4,655	3,708
Fees, licenses, and taxes	1,776	3,190	3,737
Interest expense	16,156	7,855	12,330
Property management fees	8,935	6,269	5,921
Resident services	69	46	103
Other operating expenses	<u>107</u>	<u>60</u>	<u>-</u>
 Total expenses before depreciation	 <u>98,370</u>	 <u>81,022</u>	 <u>72,349</u>
 Net income before depreciation	 <u>40,678</u>	 <u>19,327</u>	 <u>17,079</u>
Depreciation	<u>49,489</u>	<u>36,680</u>	<u>14,470</u>
 Total expenses	 <u>147,859</u>	 <u>117,702</u>	 <u>86,819</u>
Net income (loss)	<u>\$ (8,811)</u>	<u>\$ (17,353)</u>	<u>\$ 2,609</u>

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF REVENUES AND EXPENSES FOR SELECT RENTAL PROPERTIES
For the Period January 1, 2019 through September 30, 2019

	Aurora Housing	Corey Commons
Revenues		
Rental income, net of vacancies	\$ 231,698	\$ 92,682
Laundry income	2,729	947
Other income	3,890	1,606
Interest income	<u>104</u>	<u>15</u>
 Total revenues	 <u>238,421</u>	 <u>95,250</u>
Expenses		
Salaries, payroll taxes and benefits	12,296	-
Utilities	38,623	22,470
Security service fee	-	-
Garbage	4,647	4,559
Office supplies and expense	501	-
Telecommunications	-	-
Insurance	8,514	6,476
Repairs and maintenance	31,488	33,286
Landscaping	12,296	2,236
Operating supplies	-	-
Professional services	12,394	9,995
Fees, licenses, and taxes	4,053	6,243
Interest expense	41,228	8,981
Property management fees	22,492	8,834
Resident services	13,187	181
Other operating expenses	<u>3,509</u>	<u>2,424</u>
 Total expenses before depreciation	 <u>205,228</u>	 <u>105,685</u>
 Net income (loss) before depreciation	 <u>33,193</u>	 <u>(10,435)</u>
Depreciation	<u>130,924</u>	<u>44,435</u>
 Total expenses	 <u>336,152</u>	 <u>150,120</u>
Net income (loss)	<u>\$ (97,731)</u>	<u>\$ (54,870)</u>

OAKWOOD MANOR LIMITED PARTNERSHIP
SCHEDULE OF ASSETS, LIABILITIES, AND PARTNERS' CAPITAL
September 30, 2019

Assets

Current assets

Cash in bank	\$ 114,812
Prepaid insurance	4,410
Tenant accounts receivable	<u>1,176</u>
Total current assets	<u>120,398</u>

Funded reserves

Tenant security deposits	42,443
Replacement reserve	34,917
Insurance reserve	<u>16,942</u>
Total funded reserves	<u>94,302</u>

Rental property

Building and improvements	2,098,071
Furniture and fixtures	7,801
Landscaping	<u>1,827</u>
	2,107,699
Accumulated depreciation	<u>(1,021,371)</u>
	1,086,328
Land	<u>412,300</u>
Rental property, net	<u>1,498,628</u>

Total assets	<u>\$ 1,713,328</u>
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Liabilities and Partners' Capital

Current liabilities

Deferred rent revenue	\$ 5,368
Accrued interest	2,924
Deferred insurance proceeds from casualty event	<u>109,542</u>
Total current liabilities	<u>117,834</u>

Notes payable

Note payable, State of Oregon Housing and Community Services	1,329,895
Note payable, city of Eugene	314,861
Unamortized deferred financing costs	<u>(40,348)</u>
Total notes payable, net of unamortized deferred financing costs	<u>1,604,408</u>

Other liabilities

Due to General Partner	155,592
Tenant security deposits	<u>42,443</u>
Total other liabilities	<u>198,035</u>

Total liabilities	1,920,277
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Partners' capital (deficit)

(206,949)

Total liabilities and partners' capital

\$ 1,713,328

OAKWOOD MANOR LIMITED PARTNERSHIP
SCHEDULE OF OPERATIONS AND PARTNERS' CAPITAL
For the Year Ended September 30, 2019

Revenue

Net rental income	\$ 404,061
Interest income	66
Laundry fees	6,989
Other income	<u>7,402</u>

Total revenue	<u>418,518</u>
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Operating expenses

Depreciation	140,788
Insurance	20,249
Interest, including \$4,103 of amortization of deferred financing costs	77,817
Licenses and fees	7,279
Miscellaneous	593
Professional services	1,814
Property management	23,998
Repairs and maintenance	92,077
Salaries and related payroll taxes and benefits	61,277
Telephone	4,782
Trash removal	23,449
Utilities	<u>50,367</u>

Total operating expenses	<u>504,490</u>
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Net loss before non-operating revenue and expenses	<u>(85,972)</u>
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Non-operating revenue and expenses

Insurance proceeds from casualty event	214,290
Repairs expenses from casualty event	<u>(214,290)</u>

Total non-operating revenue and expenses	<u>-</u>
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Net loss	(85,972)
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Partners' capital (deficit), beginning of year	<u>(120,977)</u>
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Partners' capital (deficit), end of year	<u><u>\$ (206,949)</u></u>
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OAKWOOD MANOR LIMITED PARTNERSHIP
SCHEDULE OF CASH FLOWS
For the Year Ended September 30, 2019

Cash flows from operating activities

Net loss	\$ (85,972)
Noncash items included in net loss:	
Depreciation	140,788
Amortization of deferred financing costs	4,103
Adjustments to reconcile net loss to net cash used by operating activities:	
(Increase) decrease in:	
Prepaid insurance	(88)
Tenant accounts receivable	950
Increase (decrease) in:	
Deferred rent revenue	2,404
Accrued interest	2,924
Deferred insurance proceeds from casualty event	8,971
Due to General Partner	8,677
Tenant security deposits liability	<u>(494)</u>

Net cash provided by operating activities	<u>82,263</u>
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Cash flows from investing activities

Change in security deposits reserve	494
Deposits to funded reserves	(37,517)
Withdrawals from funded reserves	<u>37,263</u>

Net cash provided by investing activities	<u>240</u>
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Cash flows from financing activities

Payments on notes payable	<u>(94,915)</u>
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Net decrease in cash	(12,412)
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Cash, beginning of year	<u>127,224</u>
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Cash, end of year	<u><u>\$ 114,812</u></u>
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OAKWOOD MANOR LIMITED PARTNERSHIP
COMPUTATION OF SURPLUS CASH
For the Year Ended September 30, 2019

Cash

Cash on hand	\$ 114,812
Resident security deposits	42,443
Approved replacement reserve requests	<u>7,446</u>

Total cash	<u>164,701</u>
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Current obligations

Delinquent mortgage principal payments	-
Delinquent deposits to reserve for replacements	-
Accounts payable	-
Accrued interest	2,924
Prepaid rents	5,368
Resident security deposit liability	42,443
Mortgage tax and insurance reserve deficiency	-
Other: Deferred insurance proceeds from casualty event	109,542
Other: Due to General Partner, short-term	<u>8,779</u>

Total current obligations	<u>169,056</u>
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Surplus cash (deficiency)	<u><u>\$ (4,355)</u></u>
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SOMMERVILLE APARTMENTS
SCHEDULE OF ASSETS, LIABILITIES, AND OWNER'S EQUITY
September 30, 2019

Assets

Rental property

Building and improvements	\$ 1,226,057
Accumulated depreciation	<u>(146,552)</u>
	1,079,505
Land	<u>129,070</u>
Rental property, net	<u>1,208,575</u>

Funded reserves

Tenant security deposits	15,204
Operating reserve	44,234
Replacement reserve	77,988
Insurance and tax reserve	<u>24,138</u>
Total funded reserves	<u>161,564</u>

Total assets	<u>\$ 1,370,139</u>
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Liabilities and Owner's Equity

Liabilities applicable to investment in real estate

Note payable, Network for Oregon Affordable Housing	\$ 578,418
Unamortized deferred financing costs	<u>(5,969)</u>
Notes payable, net of unamortized deferred financing costs	<u>572,449</u>

Other liabilities

Due to owner	806,131
Tenant security deposits	15,204
Deferred rent	<u>105</u>
Total other liabilities	<u>821,440</u>

Total liabilities	1,393,889
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Owner's equity (deficit)	<u>(23,750)</u>
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Total liabilities and owner's equity	<u>\$ 1,370,139</u>
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SOMMERVILLE APARTMENTS
SCHEDULE OF OPERATIONS AND OWNER'S EQUITY
For the Year Ended September 30, 2019

Revenue

Net rental income	\$ 177,488
Interest income	96
Other income	<u>3,353</u>
 Total revenue	 <u>180,937</u>

Operating expenses

Depreciation	30,069
Insurance	9,903
Interest, including \$375 of amortization of deferred financing costs	11,845
Licenses and fees	13,731
Professional services	1,348
Repairs and maintenance	39,801
Property management	14,474
Salaries and related payroll taxes and benefits	27,473
Telephone	1,699
Utilities	<u>40,843</u>
 Total operating expenses	 <u>191,186</u>

Net loss

(10,249)

Owner's equity (deficit), beginning of year

(13,501)

Owner's equity (deficit), end of year

\$ (23,750)

LINN COUNTY AFFORDABLE HOUSING, LLC
IRONWOOD VILLAGE APARTMENTS
SCHEDULE OF ASSETS, LIABILITIES, AND MEMBER'S EQUITY
September 30, 2019

Assets

Current assets

General operating account	\$ 27,266
Tax and insurance reserve	8,365
Replacement reserve	99,268
Tenant security deposits	11,642
Accounts receivable (0-30 days), net of allowance of \$-0-	<u>4,813</u>

Total current assets	<u>151,354</u>
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Capital assets

Land	261,206
Building and improvements	<u>1,117,773</u>
	1,378,979
Accumulated depreciation	<u>(403,335)</u>

Capital assets, net	<u>975,644</u>
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Total assets	<u>\$ 1,126,998</u>
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Liabilities and Member's Equity

Current liabilities

Accounts payable (0-30 days)	\$ 1,949
Tenant security deposits	<u>11,642</u>

Total current liabilities	13,591
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Notes payable-USDA RD	<u>707,396</u>
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Total liabilities	720,987
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Member's equity	<u>406,011</u>
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Total liabilities and member's equity	<u>\$ 1,126,998</u>
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LINN COUNTY AFFORDABLE HOUSING, LLC
IRONWOOD VILLAGE APARTMENTS
SCHEDULE OF REVENUES AND EXPENSES
For the Year Ended September 30, 2019

Rental income

Tenant rent payments	\$ 86,384
Tenant rental assistance payments	94,222
Total potential rental income	180,606
Vacancies	(2,950)
Total rental income	<u>177,656</u>

Other income

Interest income	63
Laundry and vending	326
Tenant charges	1,527
Other income	899
Total other income	<u>2,815</u>

Total income

180,471

Operating expenses

Maintenance and operating:	
Maintenance and repairs	21,799
Payroll	33,259
Payroll taxes and benefits	6,652
Utilities:	
Electricity	3,275
Water	4,984
Sewer	9,936
Garbage and trash removal	4,563
Administrative:	
Site management - manager's rent free unit	8,400
Management fee	16,450
Advertising	240
Telephone and internet	3,945
Office supplies	1,074
Training	468
Accounting	1,540
Miscellaneous	1,712
Taxes and insurance:	
Property and liability insurance	7,747
Other taxes, licenses, and permits	<u>3,314</u>

Total operating expenses

129,358

Income from operations

51,113

LINN COUNTY AFFORDABLE HOUSING, LLC
IRONWOOD VILLAGE APARTMENTS
SCHEDULE OF REVENUES AND EXPENSES, Continued
For the Year Ended September 30, 2019

Non-operating income (expenses)

Interest subsidy income	27,958
Interest expense	(40,236)
Depreciation expense	<u>(33,531)</u>

Total non-operating income (expenses)	<u>(45,809)</u>
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Net income	<u>\$ 5,304</u>
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SOCIETY OF ST. VINCENT DE PAUL OF LANE COUNTY
SCHEDULE OF ASSETS, LIABILITIES, AND NET ASSETS
September 30, 2019

Assets

Current assets

Cash	\$ 198,989
Accounts receivable	94,262
Inventory	408,092
Prepaid expenses	<u>19,211</u>
Total current assets	<u>720,554</u>

Fixed assets

Buildings and improvements	7,013,805
Equipment and fixtures	<u>609,039</u>
	7,622,844
Accumulated depreciation	<u>(1,321,266)</u>
Fixed assets, net	<u>6,301,578</u>

Other assets

Due from related organization	<u>606,653</u>
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Total assets	<u>\$ 7,628,785</u>
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Liabilities and Net Assets

Current liabilities

Accounts payable	\$ 45,297
Accrued payroll and related liabilities	<u>75,542</u>
Total current liabilities	<u>120,839</u>

Long-term liabilities

Notes payable	8,000,000
Unamortized deferred financing costs	<u>(790,047)</u>
Notes payable, net of unamortized deferred financing costs	<u>7,209,953</u>
Total liabilities	7,330,792

Net assets without donor restrictions	<u>297,993</u>
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Total liabilities and net assets	<u>\$ 7,628,785</u>
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SOCIETY OF ST. VINCENT DE PAUL OF LANE COUNTY
SCHEDULE OF REVENUE, EXPENSES, AND CHANGE IN NET ASSETS
For the Year Ended September 30, 2019

Unrestricted revenue

Retail sales	\$ 3,909,592
Contract services	143,731
Donations	37
Other income	<u>10,746</u>

Total unrestricted revenue	<u>4,064,106</u>
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Expenses

Payroll, benefits, and taxes	2,914,378
Purchases	46,499
Utilities	237,298
Telephone	12,471
Repairs and maintenance	76,214
Operating supplies	41,634
Equipment rental	150
Professional services	5,375
Taxes, licenses, and fees	77,812
Interest expense	144,394
Bad debt expense	9,914
Advertising	1,331
Travel, conferences, and meetings	12,556
Vehicle expenses	37,772
Other expenses	1,378
Depreciation	<u>279,215</u>

Total expenses	<u>3,898,391</u>
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Change in net assets without donor restrictions

165,715

Net assets without donor restrictions, beginning of year	<u>132,278</u>
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Net assets without donor restrictions, end of year	<u><u>\$ 297,993</u></u>
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