

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

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For the Years Ended September 30, 2020 and 2019



ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
For the Years Ended September 30, 2020 and 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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 11, 2021 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 11, 2021

CONSOLIDATED FINANCIAL STATEMENTS

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2020 and 2019

	2020	2019
Assets		
Current assets		
Unrestricted cash and cash equivalents	\$ 3,989,519	\$ 945,076
Restricted cash and cash equivalents (Note 2)	6,913,169	7,494,191
Total cash and cash equivalents	10,902,688	8,439,267
Accounts receivable, net	1,571,740	1,876,889
Accounts receivable, related parties, net	302,762	224,557
Prepaid expenses and deposits	198,908	448,134
Inventory	5,550,165	5,231,020
Current portion of interest receivable, related parties	59,684	71,448
Total current assets	18,585,947	16,291,315
Fixed assets, net (Note 4)	68,302,908	70,645,963
Other assets		
Notes receivable, Rural Housing Rehabilitation Program (RHRP), net (Note 5)	2,907,522	2,813,689
Notes receivable, Self-help Homeownership Opportunity Program (SHOP)	392,574	438,445
Notes receivable, related parties (Note 8)	5,502,759	4,916,442
Notes receivable, other	40,000	40,000
Long-term portion of interest receivable, related parties, net (Note 8)	366,742	386,568
Long-term portion of development fees receivable, related parties (Note 8)	101,630	42,550
Assets held for sale	-	38,131
Investments (Note 3)	5,032,234	4,231,965
Beneficial interest in the net assets of related organization	4,893,789	4,893,789
Total other assets	19,237,250	17,801,579
Total assets	\$ 106,126,105	\$ 104,738,857

	<u>2020</u>	<u>2019</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 851,222	\$ 1,520,459
Payroll and related accruals	866,676	816,111
Security deposits payable	475,897	441,699
Deferred revenue	336,107	154,255
Accrued interest	112,071	76,249
Lines of credit (Note 6)	-	1,173,975
Current portion of long-term debt (Note 7)	<u>2,620,655</u>	<u>3,113,842</u>
Total current liabilities	5,262,628	7,296,590
Long-term liabilities		
Long-term debt, net of current portion and unamortized deferred financing costs (Note 7)	<u>42,095,577</u>	<u>41,620,895</u>
Total liabilities	<u>47,358,205</u>	<u>48,917,485</u>
Net assets		
Without donor restrictions	18,857,663	16,077,903
With donor restrictions (Note 12)	<u>39,910,237</u>	<u>39,743,469</u>
Total net assets	<u>58,767,900</u>	<u>55,821,372</u>
Total liabilities and net assets	<u>\$ 106,126,105</u>	<u>\$ 104,738,857</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 ACTIVITIES
For the Year Ended September 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Contributions	\$ 657,437	\$ 2,410,640	\$ 3,068,077
Contributions, in-kind	2,419,294	-	2,419,294
Retail sales, net	17,780,423	-	17,780,423
Grants	-	8,831,195	8,831,195
Rent income, net	6,713,290	-	6,713,290
Contract services	4,771,070	-	4,771,070
Interest income on notes receivable	289,037	-	289,037
Loss on investments	(1,943)	-	(1,943)
Gain on sale of property	806,450	-	806,450
Management fees and partnership reimbursements	880,770	-	880,770
Developer fee income	275,440	-	275,440
Other	664,024	-	664,024
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>11,075,067</u>	<u>(11,075,067)</u>	<u>-</u>
 Total revenues, gains, and other support	 <u>46,330,359</u>	 <u>166,768</u>	 <u>46,497,127</u>
Expenses			
General, manufacturing, retail, warehouses, and recycling	21,271,335	-	21,271,335
Housing	12,592,439	-	12,592,439
Services and training	6,674,715	-	6,674,715
Development	340,031	-	340,031
Management and general	<u>2,672,079</u>	<u>-</u>	<u>2,672,079</u>
 Total expenses	 <u>43,550,599</u>	 <u>-</u>	 <u>43,550,599</u>
 Change in net assets	 <u>2,779,760</u>	 <u>166,768</u>	 <u>2,946,528</u>
 Net assets, beginning of year	 <u>16,077,903</u>	 <u>39,743,469</u>	 <u>55,821,372</u>
 Net assets, end of year	 <u>\$ 18,857,663</u>	 <u>\$ 39,910,237</u>	 <u>\$ 58,767,900</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 ACTIVITIES
For the Year Ended September 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
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
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>

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, 2020

	Program Services						
	General, Manufacturing, Retail, Warehouses, and Recycling	Housing	Services and Training	Total Program Services	Support Services		Total
					Development	Management and General	Expenses
Payroll	\$ 9,976,189	\$ 3,554,201	\$ 2,987,784	\$ 16,518,174	\$ 194,758	\$ 1,839,566	\$ 18,552,498
Payroll taxes and benefits	2,283,469	651,715	561,981	3,497,165	58,805	391,399	3,947,369
Purchases and handling	1,196,344	-	-	1,196,344	-	-	1,196,344
Utilities	986,333	1,031,558	391,156	2,409,047	1,184	94,271	2,504,502
Client assistance	116,100	1,633,595	920,925	2,670,620	545	-	2,671,165
Client assistance, in-kind food	-	-	1,039,826	1,039,826	-	-	1,039,826
Telephone	156,910	113,752	56,737	327,399	3,941	9,100	340,440
Repairs and maintenance	437,180	1,280,917	59,673	1,777,770	-	-	1,777,770
Supplies and office expenses	607,854	115,834	226,656	950,344	16,620	36,329	1,003,293
Rent	2,141,400	123,375	30,492	2,295,267	-	-	2,295,267
Insurance	263,942	239,520	75,132	578,594	-	19,120	597,714
Professional services	58,041	251,843	22,983	332,867	-	45,391	378,258
Licenses, taxes, and fees	898,405	323,142	20,702	1,242,249	7,036	70,616	1,319,901
Interest expense	515,546	695,028	-	1,210,574	-	138,009	1,348,583
Provision for loan loss and bad debt	14,346	209,181	2,405	225,932	-	-	225,932
Advertising	143,373	5,414	5,871	154,658	-	-	154,658
Travel, conferences, and meetings	268,455	63,544	17,671	349,670	349	-	350,019
Vehicles	389,303	33,919	12,332	435,554	-	-	435,554
Special events	-	-	-	-	53,278	-	53,278
Grants to others	600	-	-	600	-	-	600
Other costs	37,228	451,662	44,337	533,227	3,515	-	536,742
Contracted services and labor	21,423	-	-	21,423	-	-	21,423
Total functional expenses before depreciation	20,512,441	10,778,200	6,476,663	37,767,304	340,031	2,643,801	40,751,136
Depreciation	758,894	1,814,239	198,052	2,771,185	-	28,278	2,799,463
Total functional expenses	\$ 21,271,335	\$ 12,592,439	\$ 6,674,715	\$ 40,538,489	\$ 340,031	\$ 2,672,079	\$ 43,550,599

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	Support Services		Total
					Development	Management and General	Expenses
Payroll	\$ 13,420,890	\$ 2,736,459	\$ 2,174,464	\$ 18,331,813	\$ 301,422	\$ 1,793,430	\$ 20,426,665
Payroll taxes and benefits	2,572,750	503,037	401,209	3,476,996	56,131	340,060	3,873,187
Purchases and handling	1,943,092	-	-	1,943,092	-	-	1,943,092
Utilities	1,353,081	980,828	297,825	2,631,734	1,314	78,466	2,711,514
Client assistance	-	1,173,429	698,919	1,872,348	544	-	1,872,892
Client assistance, in-kind food	-	-	1,065,010	1,065,010	-	-	1,065,010
Telephone	173,215	106,437	52,079	331,731	3,829	8,515	344,075
Repairs and maintenance	564,533	1,182,595	97,959	1,845,087	-	-	1,845,087
Supplies and office expenses	775,475	85,353	201,672	1,062,500	27,007	64,539	1,154,046
Rent	2,158,003	70,964	25,376	2,254,343	-	-	2,254,343
Insurance	247,931	291,873	74,988	614,792	-	23,350	638,142
Professional services	147,488	312,555	23,486	483,529	-	65,936	549,465
Licenses, taxes, and fees	764,521	328,108	8,210	1,100,839	13,624	87,416	1,201,879
Interest expense	536,177	617,604	-	1,153,781	-	157,902	1,311,683
Provision for loan loss and bad debt	51,278	51,687	3,100	106,065	-	-	106,065
Advertising	221,300	3,596	3,455	228,351	-	-	228,351
Travel, conferences, and meetings	471,371	90,208	38,649	600,228	630	-	600,858
Vehicles	634,347	34,066	68,114	736,527	-	-	736,527
Special events	-	-	-	-	57,777	-	57,777
Grants to others	8,661	316,315	-	324,976	-	-	324,976
Other costs	84,679	882,952	174,944	1,142,575	7,750	-	1,150,325
Contracted services and labor	371,668	-	-	371,668	-	-	371,668
Total functional expenses before depreciation	26,500,460	9,768,066	5,409,459	41,677,985	470,028	2,619,614	44,767,627
Depreciation	766,052	1,570,475	174,163	2,510,690	-	28,278	2,538,968
Total functional expenses	\$ 27,266,512	\$ 11,338,541	\$ 5,583,622	\$ 44,188,675	\$ 470,028	\$ 2,647,892	\$ 47,306,595

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 2,946,528	\$ 3,763,170
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,799,463	2,538,968
Amortization of deferred financing costs	65,653	70,460
Noncash donations of investments, land and fixed assets	(802,212)	(341,838)
Net change in allowance for receivables	183,940	41,028
Net gain on disposal of fixed assets	(806,450)	(623,853)
Unrealized (gain) loss on investments	1,943	8,118
(Increase) decrease in:		
Accounts receivable	305,149	(205,730)
Accounts receivable, related parties	(78,205)	(62,148)
Prepaid expenses and deposits	249,226	187,398
Inventory	(319,145)	(525,234)
Development fee receivable, related parties	(59,080)	879,089
Interest receivable, related parties	(93,423)	(135,023)
Increase (decrease) in:		
Accounts payable and accrued expenses	(669,237)	381,662
Payroll and related accruals	50,565	(69,511)
Other liabilities	<u>251,872</u>	<u>31,704</u>
Net cash provided by operating activities	<u>4,026,587</u>	<u>5,938,260</u>
Cash flows from investing activities		
Purchase of fixed assets	(584,958)	(14,784,833)
Proceeds from sale of fixed assets	935,000	777,500
Purchase of investments	-	(165,829)
Proceeds from sale of investments	-	55,211
Proceeds from assumption of interest in limited partnerships	-	396,419
Proceeds from notes receivable, Rural Rehabilitation	208,636	122,552
Issuance of notes receivable, Rural Rehabilitation	(361,396)	(319,616)
Proceeds from notes receivable, SHOP	53,598	-
Issuance of notes receivable, SHOP	(7,727)	(37,299)
Proceeds from notes receivable, related parties	40,351	117,800
Issuance of notes receivable, related parties	(626,668)	(40,000)
Proceeds from sale of assets held for sale	<u>38,131</u>	<u>209,672</u>
Net cash used by investing activities	<u>(305,033)</u>	<u>(13,668,423)</u>

	<u>2020</u>	<u>2019</u>
Cash flows from financing activities		
Payments on long-term debt	(3,558,579)	(1,375,166)
Proceeds from issuance of long-term debt	3,513,927	8,278,270
Net draws (payments) on line of credit	(1,173,975)	143,432
Payments of loan fees	<u>(39,506)</u>	<u>(91,409)</u>
Net cash provided (used) by financing activities	<u>(1,258,133)</u>	<u>6,955,127</u>
Net increase (decrease) in cash and cash equivalents	2,463,421	(775,036)
Cash and cash equivalents, beginning of year	<u>8,439,267</u>	<u>9,214,303</u>
Cash and cash equivalents, end of year	<u>\$ 10,902,688</u>	<u>\$ 8,439,267</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 1,471,250</u>	<u>\$ 1,396,815</u>
Supplemental disclosure of noncash investing transactions		
Total acquisition of property and equipment	\$ 584,958	\$ 18,490,024
Noncash assumption of property and equipment	<u>-</u>	<u>(3,705,191)</u>
Total cash paid for property and equipment	<u>\$ 584,958</u>	<u>\$ 14,784,833</u>
Total increases to investments	\$ 800,269	\$ 187,647
Donated stock held	-	(29,936)
Donated land contributed to limited partnership	(802,212)	-
Unrealized (gain) loss on investments	<u>1,943</u>	<u>8,118</u>
Net cash paid for purchase of investments	<u>\$ -</u>	<u>\$ 165,829</u>
Total sale or disposal of investments	\$ -	\$ 1,573,221
Decrease due to transfer of interest in limited partnership	<u>-</u>	<u>(1,518,010)</u>
Net proceeds from sale of investments	<u>\$ -</u>	<u>\$ 55,211</u>
Total reduction of notes receivable, related parties	\$ 40,351	\$ 1,242,467
Noncash payment due to transfer of interest in limited partnership	<u>-</u>	<u>(1,124,667)</u>
Total cash received from notes receivable, related parties	<u>\$ 40,351</u>	<u>\$ 117,800</u>
Supplemental disclosure of noncash financing transactions		
Total proceeds from issuance of long-term debt	\$ 3,513,927	\$ 9,252,369
Assumption of long-term debt	<u>-</u>	<u>(974,099)</u>
Total cash proceeds from issuance of long-term debt	<u>\$ 3,513,927</u>	<u>\$ 8,278,270</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, 2020, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities* (Topic 958-605) which clarified the scope and accounting guidance for contributions made and received. ASU No. 2018-08 assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions. The standard effectively excludes contributions from the requirements of ASU No. 2014-09 *Revenue from Contracts with Customers* (Topic 606) and related subsequently issued clarifying ASUs. The Organization adopted the new standard effective October 1, 2019, using a modified prospective approach in these consolidated financial statements. No change to previously recognized revenue was required as a result of adopting ASU No. 2018-08. ASU No. 2020-05 delayed the required implementation date of ASU No. 2014-09 for the Organization to October 1, 2020 and the Organization did not elect to early adopt ASU No. 2014-09.

The Organization also adopted FASB ASU No. 2016-18 *Statement of Cash Flows – Restricted Cash*. FASB ASU No. 2016-18 requires that the statement of cash flows explain the change during the period in total cash, cash equivalents, and the amounts generally described as restricted cash or cash equivalents. Therefore, the amounts generally described as restricted cash have been reclassified in the consolidated statement of cash flows. The standard was applied on a retrospective basis; however, the September 30, 2019 consolidated financial statements were already presented in conformity with the requirements of ASU No. 2016-18; therefore, no reclassification or restatement was required.

The Organization also adopted FASB ASU No. 2016-01 *Financial Instruments* which requires investments accounted for as equity securities without readily determinable fair values to be valued at cost minus impairment, if any. The Organization accounts for its investments in limited partnerships for which the Organization owns less than 50 percent of the investment interest (Note 3) in accordance with the provisions of FASB ASU No. 2016-01. The Organization adopted the new standard effective October 1, 2019, and the standard was applied prospectively to all equity investments that existed as of the date of adoption.

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

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, 2020 and 2019, the Organization had \$39,910,237 and \$39,743,469, 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.

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.

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.

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. The carrying amount approximates fair value.

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

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, if any, is composed of amounts due from former tenants that management has deemed potentially uncollectible. At September 30, 2020 and 2019, management considered the amounts receivable fully collectible; therefore, no allowance was recorded. The carrying amount of the accounts receivable approximates fair value.

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, if any, is composed of amounts due where ultimate collectability is uncertain due to the limited available cash flow from those entities. At September 30, 2020 and 2019, management considered the amounts receivable fully collectible; therefore, no allowance was recorded. The carrying amount of the accounts receivable, related parties approximates fair value.

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 an average estimated value of donated inventory received throughout the year.

Fixed Assets

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, 2020 and 2019, the Organization was the General Partner for 9 and 8 limited partnerships, respectively, for which the Organization owned a less than 50 percent interest (Note 3). The partnerships were formed to construct and operate affordable housing complexes.

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

Investments, continued

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. It is not practical to estimate the fair value of the partnership interests held by the Organization. Management considered possible impairment of the investment if there are identified events or changes in circumstances that may have significant adverse effect on the value of the investment. There were no such identified events or change in circumstances for the years ended September 30, 2020 or 2019. 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. It is not practical to estimate the fair value of the notes; the carrying amount of the notes approximates fair value.

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. It is not practical to estimate the fair value of the notes; the carrying amount of the notes approximates fair value.

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

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.

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. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported with donor restrictions. For such contributions where donors stipulate how long those long-lived assets must be maintained, the net assets are released from restriction over the period of time the asset is restricted or its estimated useful life, if shorter.

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

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

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, continued

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. Other grant revenue, that is not contingent on expenses, is recognized when grants are awarded (promised) by the grantor.

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 20,545 hours and 60,199 hours were donated by unpaid volunteers in 2020 and 2019, 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.

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.

	2020	2019
Unrestricted cash and cash equivalents	\$ 3,989,519	\$ 945,076
Restricted cash and cash equivalents	6,913,169	7,494,191
Total cash and cash equivalents	\$ 10,902,688	\$ 8,439,267

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, continued

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 \$11,047,614 and \$8,719,877 for the years ended September 30, 2020 and 2019, respectively. Of these deposits, \$3,376,760 and \$3,441,994 were covered by federal depository insurance at September 30, 2020 and 2019, respectively. Balances of \$7,670,854 and \$5,277,883 as of September 30, 2020 and 2019, 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>2020</u>	<u>2019</u>
Alona Place Limited Partnership	\$ 100,670	\$ 100,690
Bascom Village Limited Partnership	1,246,838	1,246,861
Heather Glen Limited Partnership	(101)	(86)
Iris Place Limited Partnership	802,212	-
Lamb Building Limited Partnership	1,116,674	1,116,831
Myrtlewood Limited Partnership	114,640	114,670
Royal Building Limited Partnership	324,204	324,225
Santa Clara Limited Partnership	537,119	537,154
Stellar Apartments Limited Partnership	745,826	745,844
Other investments	<u>44,152</u>	<u>45,776</u>
Total investments	<u>\$ 5,032,234</u>	<u>\$ 4,231,965</u>

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, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Total assets	\$ 52,351,991	\$ 60,053,412
Total liabilities	13,247,516	22,002,196
Net loss	(1,766,301)	(1,883,707)

The 2018 balances above include the balances for Aurora Housing Limited Partnership and Corey Commons Limited Partnership which became wholly owned by the Organization on January 1, 2019.

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

4. Fixed Assets

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

	<u>2020</u>	<u>2019</u>
Land	\$ 24,158,125	\$ 24,158,125
Buildings and improvements	60,339,533	59,712,492
Equipment	4,922,152	4,793,462
Landscaping	64,473	64,476
Construction in progress and assets in development	<u>162,061</u>	<u>669,264</u>
	89,646,344	89,397,819
Accumulated depreciation	<u>(21,343,436)</u>	<u>(18,751,856)</u>
Fixed assets, net	<u>\$ 68,302,908</u>	<u>\$ 70,645,963</u>

5. 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 \$223,555 and \$240,667, as of September 30, 2020 and 2019, respectively. All loans are considered to be long-term.

6. Lines of Credit

At September 30, 2020, the Organization has three revolving lines of credit totaling \$2,900,000 with Banner Bank that mature July 2021. Interest is payable monthly based on a variable rate index and is subject to minimum and maximum rate limitations (effective rate of 3.625 percent and 5.625 percent at September 30, 2020 and 2019, respectively). Collateral is provided by accounts receivable, inventory, and equipment. At September 30, 2020 and 2019, outstanding borrowings on the revolving lines of credit were \$-0- and \$1,173,975, respectively, and the amount available on the lines of credit was \$2,900,000 and \$476,025, 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, 2020 and 2019.

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

7. Long-term Debt

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

	2020	2019
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.	\$ 8,250,000	\$ 8,995,779
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.	1,100,761	1,138,637
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.	2,977,909	3,079,855
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.	1,757,059	1,791,351
Note payable, state of Oregon, OECD, with annual payments of \$14,070, including interest at 5.35%, due December 2029, secured by real estate.	1,271,518	1,329,895
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.	13,951,543	11,675,347
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.	1,135,871	1,242,636
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 2025 through September 2040, secured by real estate.	8,982,757	9,701,491
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.	687,653	707,395
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	584,000

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

7. Long-term Debt, continued

	<u>2020</u>	<u>2019</u>
Note payable, state of California, with monthly payments of \$5,797, including interest at 4.00%, due January 2026, secured by real estate.	241,180	280,273
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.	457,186	493,530
Notes payable, Community Frameworks, non-interest bearing, forgivable loan, secured by real estate.	123,930	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.	86,549	93,997
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.	66,010	71,332
Note payable, city of Salem, with monthly payments of \$417, non-interest bearing, due January 2034, secured by real estate.	68,888	71,388
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.	748,862	789,422
Note payable, Oregon Community Foundation, no monthly payments, non-interest bearing, paid off during the year ended September 30, 2020.	-	320,000
Note payable, city of Portland, no monthly payments, non-interest bearing, due November 2079, secured by real estate.	3,213,319	3,213,319
Note payable, Liguori, interest-only payments at 6.00%, paid off during the year ended September 30, 2020.	-	50,000
Note payable, U.S. Small Business Administration, with monthly payments of \$282, including interest at 2.75%, due May 2050, secured by real estate.	<u>150,000</u>	<u>-</u>
Unamortized deferred financing costs	45,854,995	45,899,647
Current portion	(1,138,763)	(1,164,910)
	<u>(2,620,655)</u>	<u>(3,113,842)</u>
Long-term debt, net of current portion and unamortized deferred financing costs	<u>\$ 42,095,577</u>	<u>\$ 41,620,895</u>

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

7. Long-term Debt, continued

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

<u>For the Year Ending September 30,</u>	
2021	\$ 2,620,655
2022	2,215,586
2023	1,759,235
2024	1,921,037
2025	2,017,622
Thereafter	<u>35,320,860</u>
Total	<u>\$ 45,854,995</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, 2020 and 2019, the Organization's management believes the Organization was in compliance with all such covenants.

8. Related Party Transactions

Development Fees Receivable, Related Parties

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

	2020	2019
Heather Glen Limited Partnership, payments are subject to the partnership having available cash flow. Fee paid in full during the year ended September 30, 2020.	\$ -	\$ 24,093
Myrtlewood Limited Partnership, \$568,418 was 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. Fee paid in full during the year ended September 30, 2020.	-	2,267
Lamb Building Limited Partnership, payments are subject to the partnership having available cash flow.	16,190	16,190
Iris Place Limited Partnership, total developer fee of \$1,100,000, of which \$275,440 was earned and \$190,000 was paid during the year ended September 30, 2020. Of the total fee, \$950,000 is expected to be paid from designated capital proceeds; the remaining \$150,000 is expected will be paid from available cash flow. No interest yet accruing as the project is in construction. The receivable as of September 30, 2020 is expected to be paid in late 2021.	<u>85,440</u>	<u>-</u>
Total development fees receivable, related parties	<u>\$ 101,630</u>	<u>\$ 42,550</u>

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

8. Related Party Transactions, continued

Notes Receivable, Related Parties

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

	<u>2020</u>	<u>2019</u>
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.	\$ 202,462	\$ 217,474
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
Note receivable, Iris Place Limited Partnership, payable with interest at 2.50% to the extent of available cash flow, due December 2050, secured by real estate. Maximum amount up to \$700,000.	626,668	-
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
Note receivable, Myrtlewood Limited Partnership, payable with interest at 3.35% to the extent of available cash flow, due March 2059, secured by real estate.	400,000	400,000
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.	<u>732,171</u>	<u>757,510</u>
Notes receivable, related parties	<u>\$ 5,502,759</u>	<u>\$ 4,916,442</u>

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

8. Related Party Transactions, continued

Notes Receivable, Related Parties, continued

Total interest income from these notes was \$139,681 and \$165,269 for the years ended September 30, 2020 and 2019, respectively. Total accrued interest on the notes receivable net of the allowance was \$426,425 and \$458,016 for the years ended September 30, 2020 and 2019, respectively. Total accrued interest is reported net of allowance of \$777,873 and \$652,860 for the years ended September 30, 2020 and 2019, respectively.

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, 2020 and 2019, there were 8 limited partnerships for which the Organization acted as property manager. Income from property management and reimbursements totaled \$880,770 and \$773,555 for the years ended September 30, 2020 and 2019, respectively.

9. 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, 2020 and 2019 was \$2,295,267 and \$2,254,343, including \$1,681,312 and \$1,785,249 respectively, for all facilities under non-cancelable operating leases.

At September 30, 2020, future minimum lease payments under such leases were as follows:

<u>For the Year Ending September 30,</u>	
2021	\$ 1,809,186
2022	1,721,609
2023	1,676,827
2024	1,723,985
2025	1,273,882
Thereafter	<u>2,012,222</u>
Total	<u>\$ 10,217,711</u>

10. 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.

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

11. 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, 2020 and 2019, noncash donations were comprised of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 518,999	\$ -
Food	1,040,479	1,086,162
Cars	293,752	269,420
Other goods	545,064	888,157
Use of facilities	<u>21,000</u>	<u>21,000</u>
Contributions, in-kind	<u>\$ 2,419,294</u>	<u>\$ 2,264,739</u>

12. Net Assets With Donor Restrictions

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

	<u>2020</u>	<u>2019</u>
Services and Training program:		
General	\$ 293,242	\$ 640,232
Buildings and equipment	<u>4,216,033</u>	<u>6,322,960</u>
Total Services and Training program	<u>4,509,275</u>	<u>6,963,192</u>
Housing program:		
General	5,704,277	3,753,850
Buildings and equipment	21,358,836	21,504,197
Assets held for sale	-	38,131
Notes receivable – RHRP	2,907,522	2,813,689
Notes receivable – RHRP Opportunity Program	392,574	438,445
Investments in low income housing projects	<u>5,032,234</u>	<u>4,231,965</u>
Total Housing program	<u>35,395,443</u>	<u>32,780,277</u>
Other program:		
General – maintenance reserve	<u>5,519</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 39,910,237</u>	<u>\$ 39,743,469</u>

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

13. 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>2020</u>	<u>2019</u>
Cash and reserves	\$ 343,797	\$ 328,615
Accounts receivable	615	4,235
Prepaid expenses	4,674	5,399
Land, building, and leasehold improvements, net of accumulated depreciation of \$1,866,645 in 2020 and \$1,721,318 in 2019	<u>4,441,073</u>	<u>4,586,400</u>
Total assets	<u>\$ 4,790,159</u>	<u>\$ 4,924,649</u>
Accounts payable and other liabilities	\$ 33,957	\$ 33,996
Net assets	<u>4,756,202</u>	<u>4,890,653</u>
Total liabilities and net assets	<u>\$ 4,790,159</u>	<u>\$ 4,924,649</u>

14. 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. There were no such assumption of partnership interests during the year ended September 30, 2020.

15. 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, 2020, the Organization's financial assets, reduced by amounts not available for general expenditures within one year, are comprised of the following:

	<u>2020</u>	<u>2019</u>
Unrestricted cash and cash equivalents	\$ 3,989,519	945,076
Receivables:		
Accounts receivable, net	1,571,740	1,876,889
Accounts receivable, related parties, net	302,762	224,557
Current portion of interest receivable, related parties	<u>59,684</u>	<u>71,448</u>
Financial assets available for general expenditure	<u>\$ 5,923,705</u>	<u>\$ 3,117,970</u>

As noted in Note 6, the Organization has access to lines of credit up to \$2,900,000 in total that could be drawn on in the event additional liquid financial assets were needed for operations.

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

16. Economic Uncertainties

As a result of the COVID-19 coronavirus pandemic, the Organization was required to close several retail locations temporarily which are typically a significant source of revenue for the Organization. The majority of retail locations were re-opened during the year. Three retail locations were closed permanently. The Organization received several new grants as a result of the pandemic to continue to provide services and assistance to the community. As of the date of the independent auditor's report, there still exists certain economic uncertainties related to the COVID-19 coronavirus pandemic. These continuing uncertainties could negatively impact the Organization's future financial condition and operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

17. 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, 2020

Federal Grantor/Pass-through Grantor/Program Title	Contract / Loan Number	Federal CFDA Number	Expenditures
U.S. Department of Agriculture			
<i>Food Distribution Cluster</i>			
Passed-through Food for Lane County, Inc.: Emergency Food Assistance Program		10.569	\$ <u>376,949</u>
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	79,029
Passed-through city of Portland: Community Development Block Grant/Entitlement Grants	3110285	14.218	<u>3,213,319</u>
Total CDBG - Entitlement Grants Cluster			3,292,348
Passed-through city of Cottage Grove: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	CG1	14.228	18,112
Passed-through Lane County: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	HR410	14.228	200
Passed-through city of Florence: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	HR505	14.228	114
Passed-through city of Lowell: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	HR020021	14.228	250
Passed-through city of Junction City: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	HR805	14.228	857
Passed-through city of Oakridge: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	H010007, HR608	14.228	214
Passed-through city of Veneta: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	H16013	14.228	58,896
Passed-through city of Creswell: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii		14.228	31,689
Passed-through Lane County: Emergency Solutions Grant Program	53451,53454, 55592	14.231	156,449
Passed-through city of Eugene: Home Investment Partnerships Program	2019-02171, 2016-02187	14.239	298,531
Passed-through Community Frameworks: Self-Help Homeownership Opportunity Program	SVDP-07-01, SVDP-08-01	14.247	271,146

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended September 30, 2020

Federal Grantor/Pass-through Grantor/Program Title	Contract / Loan Number	Federal CFDA Number	Expenditures
U.S. Department of Housing and Urban Development, continued			
Direct Awards -			
Continuum of Care Program - Connections	OR0003L0E001811, OR0003L0E001912	14.267	232,132
Continuum of Care Program - LIFT	OR0015L0E001811, OR0009L0E001912	14.267	275,591
Continuum of Care Program - Vet LIFT	OR0015L0E001811, OR0015L0E001912	14.267	222,651
Continuum of Care Program - First Place Family Center Passed-through Mainstream Housing Inc.:	OR0180L0E001704	14.267	2,296
Continuum of Care Program - Home Space / Emerald Options		14.267	<u>11,772</u>
Total U.S. Department of Housing and Urban Development			<u>4,873,248</u>
U.S. Department of the Treasury			
Passed-through Lane County:			
COVID-19 Coronavirus Relief Fund	55561	21.019	149,578
COVID-19 Coronavirus Relief Fund	55562	21.019	228,366
COVID-19 Coronavirus Relief Fund	55359	21.019	481,754
COVID-19 Coronavirus Relief Fund	54859	21.019	232,178
Passed-through City of Eugene			
COVID-19 Coronavirus Relief Fund		21.019	9,461
Passed-through Network for Oregon Affordable Housing:			
Community Development Financial Institutions Program	1003226, 1003233 1003241, 1003345	21.020	<u>1,521,441</u>
Total U.S. Department of the Treasury			<u>2,622,778</u>
General Services Administration			
Direct Award - Donation of Federal Surplus Personal Property		39.003	<u>58,118</u>
U.S. Small Business Administration			
Direct Awards -			
Disaster Assistance Loans	1998937805	59.008	150,000
Economic Injury Disaster Loan Emergency Advance		59.072	<u>10,000</u>
Total U.S. Small Business Administration			<u>160,000</u>
U.S. Department of Veterans Affairs			
Direct Award - Veteran Rehabilitation - Alcohol and Drug Dependence	VA260-16-R-0500, 36C26019D0003	64.019	113,820
Direct Award - VA Homeless Providers Grant and Per Diem Program	SSVC786-0582-653-BH-18-0 18-OR-066	64.024	281,015
Direct Award - VA Supportive Services for Veteran Families		64.033	973,177
Direct Award - COVID-19 VA Supportive Services for Veteran Families	18-ORR-066CA	64.033	<u>482,508</u>
Total U.S. Department of Veteran Affairs			<u>1,850,520</u>
U.S. Environmental Protection Agency			
Passed-through Oregon Business Development Department:			
Capitalization Grants for Drinking Water State Revolving Funds	R17009	66.468	<u>2,210</u>
Total federal awards			<u>\$ 9,943,823</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, 2020

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, 2020. 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.

St. Vincent de Paul Society of Lane County, Inc. and subsidiaries did not pass any federal funds through to sub-recipients for the year ended September 30, 2020.

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, 2020

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, 2020, 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	123,930
U.S. Department of the Treasury: Passed-through Network for Oregon Affordable Housing	Community Development Financial Institutions Program	21.020	1,003,473
U.S. Department of the Treasury:	Economic Injury Disaster Disaster Loan	59.008	<u>150,000</u>
			<u>\$ 4,490,722</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, 2020 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 11, 2021.

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) as a basis for designing 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 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 its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Jones & Roth, P.C.
Eugene, Oregon
February 11, 2021

**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, 2020. 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, the Organization 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, 2020.

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 11, 2021

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2020

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, 2020.
- 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 the Treasury Coronavirus Relief Fund	CFDA # 21.019
U.S. Department of Veteran Affairs VA Homeless Providers Grant and Per Diem Program	CFDA # 64.024
U.S. Department of Veteran Affairs VA Supportive Services for Veteran Families	CFDA # 64.033
- 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, 2020

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, 2020

	Skinner Butte	Hope Circle	Mac McDonald	Ross Lane
Revenues				
Rental income, net of vacancies	\$ 214,284	\$ 79,438	\$ 133,242	\$ 221,983
Laundry income	742	-	-	3,022
Grants and donations	-	-	-	136,800
Other income	3,043	527	2,280	2,978
Interest income	-	-	-	-
	<u>218,069</u>	<u>79,965</u>	<u>135,522</u>	<u>364,783</u>
Expenses				
Salaries, payroll taxes and benefits	35,228	6,549	16,662	50,410
Utilities	26,830	516	1,144	23,022
Security service fee	-	-	-	-
Garbage	2,804	-	-	13,975
Office supplies and expense	-	-	-	-
Telecommunications	2,510	-	-	3,286
Insurance	3,271	3,411	6,372	8,137
Repairs and maintenance	33,871	7,645	10,208	186,044
Landscaping	-	1,425	7,910	13,006
Professional services	2,451	1,000	1,000	1,868
Fees, licenses, and taxes	3,720	9,102	2,022	3,799
Interest expense	-	-	14,616	15,144
Property management fees	-	-	-	-
Bad debt	-	-	-	-
Travel	-	-	-	-
Resident services	-	-	-	-
Other operating expenses	37	-	-	-
Depreciation	29,627	37,218	69,264	114,525
	<u>140,349</u>	<u>66,866</u>	<u>129,198</u>	<u>433,216</u>
Total expenses	<u>140,349</u>	<u>66,866</u>	<u>129,198</u>	<u>433,216</u>
Operating net income (loss)	77,720	13,099	6,324	(68,433)
Non-operating revenue (expense)				
Debt forgiveness income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	<u>\$ 77,720</u>	<u>\$ 13,099</u>	<u>\$ 6,324</u>	<u>\$ (68,433)</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, 2020

	Blue Belle I	Blue Belle II	Hilyard Terrace	Oak Terrace
Revenues				
Rental income, net of vacancies	\$ 60,930	\$ 18,282	\$ 121,944	\$ 279,513
Laundry income	-	-	1,624	4,458
Grants and donations	-	-	-	-
Other income	705	211	250	5,674
Interest income	-	-	12	58
	<u>61,635</u>	<u>18,493</u>	<u>123,830</u>	<u>289,703</u>
Expenses				
Salaries, payroll taxes and benefits	17,549	5,265	-	46,925
Utilities	2,523	757	8,510	43,688
Security service fee	-	-	-	-
Garbage	2,683	805	4,372	18,868
Office supplies and expense	-	-	-	17
Telecommunications	850	255	-	-
Insurance	2,562	769	6,299	9,712
Repairs and maintenance	21,946	6,585	56,432	43,516
Landscaping	5,124	1,537	14,565	-
Professional services	1,693	508	6,469	8,825
Fees, licenses, and taxes	1,105	331	2,948	3,944
Interest expense	-	-	5,751	15,190
Property management fees	-	-	10,389	23,758
Bad debt	-	-	-	-
Travel	-	-	-	-
Resident services	-	-	8,133	8,082
Other operating expenses	-	-	1,845	8,518
Depreciation	25,040	7,513	48,225	66,074
	<u>81,075</u>	<u>24,325</u>	<u>173,938</u>	<u>297,117</u>
Operating net income (loss)	(19,440)	(5,832)	(50,108)	(7,414)
Non-operating revenue (expense)				
Debt forgiveness income	-	-	-	-
Net income (loss)	<u>\$ (19,440)</u>	<u>\$ (5,832)</u>	<u>\$ (50,108)</u>	<u>\$ (7,414)</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, 2020

	<u>Stayton Family</u>	<u>Ash Meadows</u>	<u>Spruce Terrace</u>	<u>Wallerwood</u>
Revenues				
Rental income, net of vacancies	\$ 319,578	\$ 125,678	\$ 222,084	\$ 206,845
Laundry income	645	-	4,029	1,586
Grants and donations	-	-	-	-
Other income	7,820	1,884	1,419	1,143
Interest income	<u>97</u>	<u>5</u>	<u>393</u>	<u>23</u>
 Total revenues	 <u>328,140</u>	 <u>127,567</u>	 <u>227,925</u>	 <u>209,597</u>
Expenses				
Salaries, payroll taxes and benefits	3,643	-	-	-
Utilities	68,113	2,529	36,620	33,571
Security service fee	-	-	-	4,294
Garbage	1,983	-	12,758	3,852
Office supplies and expense	64	224	400	-
Telecommunications	-	-	-	-
Insurance	13,176	5,193	12,053	4,092
Repairs and maintenance	124,211	21,334	60,364	58,992
Landscaping	-	22,638	-	3,740
Professional services	10,438	6,266	6,964	5,274
Fees, licenses, and taxes	14,817	7,139	11,590	2,249
Interest expense	30,680	9,780	13,686	18,242
Property management fees	34,850	13,521	29,493	13,408
Bad debt	-	-	-	-
Travel	-	-	-	-
Resident services	696	575	-	10
Other operating expenses	3,359	1,141	2,751	2,061
Depreciation	<u>69,329</u>	<u>29,694</u>	<u>55,778</u>	<u>20,438</u>
 Total expenses	 <u>375,359</u>	 <u>120,034</u>	 <u>242,457</u>	 <u>170,223</u>
 Operating net income (loss)	 (47,219)	 7,533	 (14,532)	 39,374
Non-operating revenue (expense)				
Debt forgiveness income	<u>-</u>	<u>91,000</u>	<u>-</u>	<u>-</u>
 Net income (loss)	 <u>\$ (47,219)</u>	 <u>\$ 98,533</u>	 <u>\$ (14,532)</u>	 <u>\$ 39,374</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, 2020

	<u>Four Oaks</u>	<u>Hazel Court</u>	<u>Stayton Manor</u>	<u>Aurora Housing</u>
Revenues				
Rental income, net of vacancies	\$ 187,548	\$ 143,170	\$ 140,842	\$ 318,811
Laundry income	1,067	645	664	3,548
Grants and donations	-	-	-	-
Other income	1,359	670	752	5,305
Interest income	<u>31</u>	<u>40</u>	<u>37</u>	<u>434</u>
 Total revenues	 <u>190,005</u>	 <u>144,525</u>	 <u>142,295</u>	 <u>328,098</u>
Expenses				
Salaries, payroll taxes and benefits	-	-	57	33,389
Utilities	34,939	30,597	28,489	52,158
Security service fee	4,294	-	-	-
Garbage	3,323	2,167	2,061	6,196
Office supplies and expense	302	-	-	256
Telecommunications	-	-	-	-
Insurance	5,018	3,401	3,913	7,998
Repairs and maintenance	33,082	15,575	23,492	32,555
Landscaping	5,040	3,540	3,540	33,389
Professional services	6,162	10,315	3,435	12,750
Fees, licenses, and taxes	1,892	3,599	4,120	5,855
Interest expense	15,692	7,398	11,685	28,911
Property management fees	11,882	9,134	8,692	30,664
Bad debt	-	-	-	-
Travel	-	-	-	-
Resident services	58	-	-	11,903
Other operating expenses	1,574	20,418	20,768	7,246
Depreciation	<u>49,490</u>	<u>36,681</u>	<u>14,470</u>	<u>174,566</u>
 Total expenses	 <u>172,748</u>	 <u>142,825</u>	 <u>124,722</u>	 <u>437,836</u>
 Operating net income (loss)	 17,257	 1,700	 17,573	 (109,738)
Non-operating revenue (expense)				
Debt forgiveness income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net income (loss)	 <u>\$ 17,257</u>	 <u>\$ 1,700</u>	 <u>\$ 17,573</u>	 <u>\$ (109,738)</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, 2020

	Corey Commons	Saginaw	Oak Leaf	Arbor
Revenues				
Rental income, net of vacancies	\$ 134,244	\$ 211,301	\$ 122,429	\$ 739,210
Laundry income	1,313	2,998	-	563
Grants and donations	-	120,000	-	-
Other income	1,724	13,320	177,242	3,450
Interest income	13	-	-	-
	<u>137,294</u>	<u>347,619</u>	<u>299,671</u>	<u>743,223</u>
Expenses				
Salaries, payroll taxes and benefits	-	49,398	16,147	20,967
Utilities	27,139	4,727	30,117	41,012
Security service fee	-	-	-	2,675
Garbage	5,886	12,648	10,941	78,212
Office supplies and expense	224	1,324	1,388	7,601
Telecommunications	-	648	4,508	2,377
Insurance	8,374	3,397	4,686	9,724
Repairs and maintenance	42,546	36,499	12,101	54,886
Landscaping	12,422	7,844	702	-
Professional services	3,323	16,689	986	358
Fees, licenses, and taxes	6,202	4,566	4,586	44,549
Interest expense	5,852	59,427	28,214	83,558
Property management fees	12,043	21,507	12,305	57,771
Bad debt	-	-	-	1,510
Travel	-	1,044	4,342	2,992
Resident services	1,866	-	-	-
Other operating expenses	3,246	25,196	22,841	175
Depreciation	59,247	54,745	105,483	145,289
	<u>188,370</u>	<u>299,659</u>	<u>259,347</u>	<u>553,656</u>
Total expenses				
Operating net income (loss)	(51,076)	47,960	40,324	189,567
Non-operating revenue (expense)				
Debt forgiveness income	-	-	-	-
	<u>-(51,076)</u>	<u>47,960</u>	<u>40,324</u>	<u>189,567</u>
Net income (loss)	\$ (51,076)	\$ 47,960	\$ 40,324	\$ 189,567

OAKWOOD MANOR LIMITED PARTNERSHIP
SCHEDULE OF ASSETS, LIABILITIES, AND PARTNERS' CAPITAL
September 30, 2020

Assets

Current assets

Cash in bank	\$	10,585
Prepaid insurance		4,909
Tenant accounts receivable		<u>12,365</u>

Total current assets		<u>27,859</u>
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Restricted Cash - funded reserves

Tenant security deposits		44,976
Reserve held by others - housing		200,000
Replacement reserve		34,816
Insurance reserve		<u>12,509</u>

Total restricted cash - funded reserves		<u>292,301</u>
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Rental property

Building and improvements		2,098,071
Furniture and fixtures		7,801
Landscaping		<u>1,827</u>

		2,107,699
Accumulated depreciation		<u>(1,162,159)</u>

		945,540
Land		<u>412,300</u>

Rental property, net		<u>1,357,840</u>
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Total assets		<u><u>\$ 1,678,000</u></u>
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Liabilities and Partners' Capital

Current liabilities

Deferred rent revenue	\$ 5,165
Accrued interest	2,796
Due to General Partner, current portion	31,248
Deferred insurance proceeds from casualty event	<u>200,000</u>

Total current liabilities 239,209

Notes payable

Note payable, State of Oregon Housing and Community Services	1,271,518
Note payable, city of Eugene	326,787
Unamortized deferred financing costs, net of accumulated amortization	<u>(36,245)</u>

Total notes payable, net of unamortized deferred financing costs 1,562,060

Other liabilities

Due to General Partner, net of current portion	158,476
Tenant security deposits	<u>44,976</u>

Total other liabilities 203,452

Total liabilities 2,004,721

Partners' capital (deficit) (326,721)

Total liabilities and partners' capital \$ 1,678,000

OAKWOOD MANOR LIMITED PARTNERSHIP
SCHEDULE OF OPERATIONS AND PARTNERS' CAPITAL
For the Year Ended September 30, 2020

Revenue	
Net rental income	\$ 415,248
Interest income	16
Laundry fees	4,586
Other income	<u>7,752</u>
 Total revenue	 <u>427,602</u>
Operating expenses	
Depreciation	140,788
Insurance	16,274
Interest, including \$4,103 of amortization of deferred financing costs	85,107
Licenses and fees	10,695
Miscellaneous	337
Professional services	12,125
Property management	21,016
Repairs and maintenance	87,269
Salaries and related payroll taxes and benefits	92,240
Telephone	5,211
Trash removal	22,025
Utilities	<u>54,287</u>
 Total operating expenses	 <u>547,374</u>
 Net loss before non-operating revenue and expenses	 <u>(119,772)</u>
Non-operating revenue and expenses	
Insurance proceeds from casualty event	208,538
Repairs expenses from casualty event	<u>(208,538)</u>
 Total non-operating revenue and expenses	 <u>-</u>
 Net loss	 <u>(119,772)</u>
Partners' capital (deficit), beginning of year	<u>(206,949)</u>
Partners' capital (deficit), end of year	<u>\$ (326,721)</u>

OAKWOOD MANOR LIMITED PARTNERSHIP
SCHEDULE OF CASH FLOWS
For the Year Ended September 30, 2020

Cash flows from operating activities	
Net loss	\$ (119,772)
Noncash items included in net loss:	
Depreciation	140,788
Amortization of deferred financing costs	4,103
Adjustments to reconcile net loss to net cash provided by operating activities:	
(Increase) decrease in:	
Prepaid insurance	(499)
Tenant accounts receivable	(11,189)
Increase (decrease) in:	
Deferred rent revenue	(203)
Accrued interest	(128)
Deferred insurance proceeds from casualty event	90,458
Due to General Partner	34,132
Tenant security deposits liability	<u>2,533</u>
Net cash provided by operating activities	140,223
 Cash flows from financing activities	
Payments on notes payable	<u>(46,451)</u>
 Net increase in cash and restricted cash	 93,772
Cash and restricted cash, beginning of year	<u>209,114</u>
Cash and restricted cash, end of year	<u><u>\$ 302,886</u></u>

OAKWOOD MANOR LIMITED PARTNERSHIP
 COMPUTATION OF SURPLUS CASH
 For the Year Ended September 30, 2020

Cash

Cash on hand	\$ 10,585
Resident security deposits	44,976
Reserve held by others - housing	<u>200,000</u>

Total cash	<u>255,561</u>
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Current obligations

Delinquent mortgage principal payments	-
Delinquent deposits to reserve for replacements	-
Accounts payable	-
Accrued interest	2,796
Prepaid rents	5,165
Resident security deposit liability	44,976
Mortgage tax and insurance reserve deficiency	-
Other: Deferred insurance proceeds from casualty event	200,000
Other: Due to General Partner, short-term	<u>31,248</u>

Total current obligations	<u>284,185</u>
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Surplus cash (deficiency)	<u>\$ (28,624)</u>
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SOMMERVILLE APARTMENTS
SCHEDULE OF ASSETS, LIABILITIES, AND OWNER'S EQUITY
September 30, 2020

Assets

Rental property	
Building and improvements	\$ 1,226,056
Accumulated depreciation	<u>(176,245)</u>
	1,049,811
Land	<u>129,070</u>
Rental property, net	<u>1,178,881</u>
Restricted cash - funded reserves	
Tenant security deposits	16,278
Operating reserve	44,261
Replacement reserve	75,283
Insurance and tax reserve	<u>26,080</u>
Total restricted cash - funded reserves	<u>161,902</u>
Other assets	
Accounts receivable	<u>2,066</u>
Total assets	<u><u>\$ 1,342,849</u></u>

Liabilities and Owner's Equity

Note payable	
Note payable, Network for Oregon Affordable Housing	\$ 566,538
Unamortized deferred financing costs, net of accumulated amortization	<u>(5,594)</u>
Note payable, net of unamortized deferred financing costs	<u>560,944</u>
Other liabilities	
Due to owner	821,784
Tenant security deposits	16,278
Deferred rent	<u>150</u>
Total other liabilities	<u>838,212</u>
Total liabilities	1,399,156
Owner's equity (deficit)	<u>(56,307)</u>
Total liabilities and owner's equity	<u><u>\$ 1,342,849</u></u>

SOMMERVILLE APARTMENTS
SCHEDULE OF OPERATIONS AND OWNER'S EQUITY
For the Year Ended September 30, 2020

Revenue	
Net rental income	\$ 180,717
Interest income	72
Other income	<u>4,332</u>
Total revenue	<u>185,121</u>
Operating expenses	
Depreciation	29,694
Insurance	6,995
Interest, including \$375 of amortization of deferred financing costs	11,357
Licenses and fees	17,264
Professional services	1,796
Repairs and maintenance	36,119
Property management	14,806
Salaries and related payroll taxes and benefits	57,346
Telephone	1,689
Utilities	<u>40,612</u>
Total operating expenses	<u>217,678</u>
Net loss	(32,557)
Owner's equity (deficit), beginning of year	<u>(23,750)</u>
Owner's equity (deficit), end of year	<u><u>\$ (56,307)</u></u>

LINN COUNTY AFFORDABLE HOUSING, LLC
 IRONWOOD VILLAGE APARTMENTS
 SCHEDULE OF ASSETS, LIABILITIES, AND MEMBER'S EQUITY
 September 30, 2020

Assets

Current assets

General operating account	\$	2,637
Tax and insurance reserve		10,911
Replacement reserve		108,342
Tenant security deposits		12,961
Accounts receivable (0-30 days), net of allowance of \$-0-		<u>411</u>
 Total current assets		 <u>135,262</u>

Fixed assets

Land		261,206
Building and improvements		<u>1,117,773</u>
		1,378,979
Accumulated depreciation		<u>(436,865)</u>
 Fixed assets, net		 <u>942,114</u>

Total assets	\$	<u>1,077,376</u>
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Liabilities and Member's Equity

Current liabilities

Accounts payable (0-30 days)	\$	3,407
Unearned revenues		16
Tenant security deposits		<u>12,961</u>
 Total current liabilities		 16,384

Notes payable - USDA Rural Development		<u>687,653</u>
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Total liabilities		704,037
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Member's equity		<u>373,339</u>
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Total liabilities and member's equity	\$	<u>1,077,376</u>
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LINN COUNTY AFFORDABLE HOUSING, LLC
 IRONWOOD VILLAGE APARTMENTS
 SCHEDULE OF REVENUES AND EXPENSES
 For the Year Ended September 30, 2020

Rental income

Tenant rent payments	\$ 90,838
Tenant rental assistance payments	96,466
Total potential rental income	<u>187,304</u>
Vacancies	(6,469)
Total rental income	<u>180,835</u>

Other income

Interest income	80
Laundry and vending	1,716
Tenant charges	3,328
Other income	<u>2,056</u>
Total other income	<u>7,180</u>
 Total income	 <u>188,015</u>

Operating expenses

Maintenance and operating:	
Maintenance and repairs	44,298
Payroll	45,975
Payroll taxes and benefits	9,247
Utilities:	
Electricity	3,976
Water	5,915
Sewer	10,180
Garbage and trash removal	4,563
Administrative:	
Site management - manager's rent free unit	8,228
Management fee	16,890
Advertising	60
Telephone and internet	4,129
Office supplies	5,902
Training	3,093
Accounting	1,663
Miscellaneous	2,641
Taxes and insurance:	
Property and liability insurance	5,860
Other taxes, licenses, and permits	<u>3,362</u>
 Total operating expenses	 <u>175,982</u>
 Income from operations	 <u>12,033</u>

LINN COUNTY AFFORDABLE HOUSING, LLC
IRONWOOD VILLAGE APARTMENTS
SCHEDULE OF REVENUES AND EXPENSES, Continued
For the Year Ended September 30, 2020

Non-operating income (expenses)

Interest subsidy income	27,958
Interest expense	(39,132)
Depreciation expense	<u>(33,531)</u>

Total non-operating income (expenses) (44,705)

Net income \$ (32,672)

SOCIETY OF ST. VINCENT DE PAUL OF LANE COUNTY
 SCHEDULE OF ASSETS, LIABILITIES, AND NET ASSETS
 September 30, 2020

Assets

Current assets

Cash	\$ 209,980
Accounts receivable	161,360
Inventory	<u>409,468</u>
Total current assets	<u>780,808</u>

Fixed assets

Buildings and improvements	7,013,805
Equipment and fixtures	<u>616,539</u>
	7,630,344
Accumulated depreciation	<u>(1,587,099)</u>
Fixed assets, net	<u>6,043,245</u>

Other assets

Due from related organization	<u>889,081</u>
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Total assets

\$ 7,713,134

Liabilities and Net Assets

Current liabilities

Accounts payable	\$ 31,743
Accrued payroll and related liabilities	<u>48,065</u>
Total current liabilities	<u>79,808</u>

Notes payable

Notes payable	8,000,000
Unamortized deferred financing costs	<u>(758,550)</u>
Notes payable, net of unamortized deferred financing costs	<u>7,241,450</u>
Total liabilities	7,321,258

Net assets without donor restrictions

391,876

Total liabilities and net assets

\$ 7,713,134

SOCIETY OF ST. VINCENT DE PAUL OF LANE COUNTY
 SCHEDULE OF REVENUE, EXPENSES, AND CHANGE IN NET ASSETS
 For the Year Ended September 30, 2020

Unrestricted revenue

Retail sales	\$ 3,335,293
Donations	5,251
Other income	<u>31,574</u>
 Total unrestricted revenue	 <u>3,372,118</u>

Expenses

Payroll, benefits, and taxes	2,246,961
Purchases	79,071
Utilities	197,043
Telephone	11,406
Repairs and maintenance	104,349
Operating supplies	66,316
Equipment rental	150
Professional services	1,800
Taxes, licenses, and fees	72,948
Interest expense	144,394
Advertising	1,390
Travel, conferences, and meetings	34,222
Vehicle expenses	52,351
Depreciation	<u>265,834</u>
 Total expenses	 <u>3,278,235</u>

Change in net assets without donor restrictions

	93,883
Net assets without donor restrictions, beginning of year	<u>297,993</u>
Net assets without donor restrictions, end of year	<u><u>\$ 391,876</u></u>