

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

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For the Years Ended September 30, 2022 and 2021

Jones & Roth

CPAs & Business Advisors

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
For the Years Ended September 30, 2022 and 2021

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ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
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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 Audit of the Financial Statements

Opinion

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, 2022 and 2021, 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.

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, 2022 and 2021, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of St. Vincent de Paul Society of Lane County, Inc. and subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing these consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Vincent de Paul Society of Lane County, Inc. and subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 St. Vincent de Paul Society of Lane County, Inc. and subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Vincent de Paul Society of Lane County, Inc. and subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary 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 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 9, 2023 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 9, 2023

CONSOLIDATED FINANCIAL STATEMENTS

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2022 and 2021

	2022	2021
Assets		
Current assets		
Unrestricted cash and cash equivalents	\$ 5,612,212	\$ 5,895,513
Restricted cash and cash equivalents (Note 2)	7,906,169	7,990,982
Total cash and cash equivalents	13,518,381	13,886,495
Accounts and grants receivable (Note 3)	2,110,070	2,153,367
Accounts receivable, related parties	327,822	299,931
Current portion of development fee receivable, related parties (Note 9)	161,136	760,000
Prepaid expenses and deposits	366,521	364,307
Inventory	4,623,305	5,128,582
Current portion of interest receivable, related parties (Note 9)	55,716	72,044
Total current assets	21,162,951	22,664,726
Fixed assets, net (Note 5)	80,812,061	67,168,872
Other assets		
Notes receivable, Rural Housing Rehabilitation Program (RHRP), net (Note 6)	2,977,039	2,936,270
Notes receivable, Self-help Homeownership Opportunity Program (SHOP)	385,610	399,356
Notes receivable, related parties (Note 9)	3,578,360	5,430,716
Notes receivable, other	-	30,000
Long-term portion of interest receivable, related parties, net (Note 9)	57,032	317,018
Long-term portion of development fees receivable, related parties (Note 9)	150,000	111,280
Investments (Note 4)	4,255,096	5,034,720
Beneficial interest in the net assets of related organization	-	4,893,789
Total other assets	11,403,137	19,153,149
Total assets	\$ 113,378,149	\$ 108,986,747

	<u>2022</u>	<u>2021</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,522,935	\$ 841,996
Payroll and related accruals	1,408,590	1,103,044
Security deposits payable	537,294	492,555
Deferred revenue	93,919	352,014
Accrued interest	136,883	73,011
Lines of credit (Note 7)	-	167,613
Current portion of long-term debt (Note 8)	<u>1,619,047</u>	<u>1,818,713</u>
Total current liabilities	5,318,668	4,848,946
Long-term liabilities		
Long-term debt, net of current portion and unamortized deferred financing costs (Note 8)	<u>42,544,614</u>	<u>41,024,638</u>
Total liabilities	<u>47,863,282</u>	<u>45,873,584</u>
Net assets		
Without donor restrictions	21,100,534	21,866,527
With donor restrictions (Note 13)	<u>44,414,333</u>	<u>41,246,636</u>
Total net assets	<u>65,514,867</u>	<u>63,113,163</u>
Total liabilities and net assets	<u>\$ 113,378,149</u>	<u>\$ 108,986,747</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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenue and gains			
<i>Support</i>			
Contributions	\$ 392,848	\$ 1,774,036	\$ 2,166,884
Contributions, in-kind goods and services	12,140,643	-	12,140,643
Grants	-	12,675,363	12,675,363
Total support	12,533,491	14,449,399	26,982,890
<i>Revenue and gains</i>			
Retail sales	22,907,566	-	22,907,566
Less value of donated goods sold	(11,731,009)	-	(11,731,009)
Retail sales, net	11,176,557	-	11,176,557
Contract services	4,964,973	-	4,964,973
Management fees and partnership reimbursements	917,223	-	917,223
Developer fee income	38,720	-	38,720
Rent income, net	7,367,234	-	7,367,234
Interest income on notes receivable	226,733	-	226,733
Gain on investments	2,322	-	2,322
Gain on sale of property	363,639	-	363,639
Gain on assumption of investment interest (Note 4)	1,460,385	-	1,460,385
Debt forgiveness income (Note 16)	2,410,851	-	2,410,851
Other	354,226	-	354,226
Total revenue and gains	29,282,863	-	29,282,863
Net assets released from restrictions	11,281,702	(11,281,702)	-
Total support, revenue and gains	53,098,056	3,167,697	56,265,753
Expenses			
Program services:			
General, manufacturing, retail, warehouses, and recycling	25,492,410	-	25,492,410
Housing	14,291,135	-	14,291,135
Emergency services and shelter assistance	10,388,246	-	10,388,246
Support services:			
Development	373,880	-	373,880
Management and general	3,318,378	-	3,318,378
Total expenses	53,864,049	-	53,864,049
Change in net assets	(765,993)	3,167,697	2,401,704
Net assets, beginning of year	21,866,527	41,246,636	63,113,163
Net assets, end of year	\$ 21,100,534	\$ 44,414,333	\$ 65,514,867

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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenue and gains			
<i>Support</i>			
Contributions	\$ 448,793	\$ 1,234,186	\$ 1,682,979
Contributions, in-kind goods and services	12,128,218	-	12,128,218
Grants	-	14,147,986	14,147,986
Total support	12,577,011	15,382,172	27,959,183
<i>Revenue and gains</i>			
Retail sales	22,705,530	-	22,705,530
Less value of donated goods sold	(11,476,889)	-	(11,476,889)
Retail sales, net	11,228,641	-	11,228,641
Contract services	4,854,595	-	4,854,595
Management fees and partnership reimbursements	883,718	-	883,718
Developer fee income	785,840	-	785,840
Rent income, net	6,965,608	-	6,965,608
Interest income on notes receivable	280,382	-	280,382
Loss on investments	14,035	-	14,035
Gain on sale of property	288,549	-	288,549
Other	702,896	-	702,896
Total revenue and gains	26,004,264	-	26,004,264
Net assets released from restrictions	14,045,773	(14,045,773)	-
Total support, revenue and gains	52,627,048	1,336,399	53,963,447
Expenses			
Program services:			
General, manufacturing, retail, warehouses, and recycling	22,412,523	-	22,412,523
Housing	13,221,842	-	13,221,842
Emergency services and shelter assistance	10,727,688	-	10,727,688
Support services:			
Development	237,970	-	237,970
Management and general	3,018,161	-	3,018,161
Total expenses	49,618,184	-	49,618,184
Change in net assets	3,008,864	1,336,399	4,345,263
Net assets, beginning of year	18,857,663	39,910,237	58,767,900
Net assets, end of year	<u>\$ 21,866,527</u>	<u>\$ 41,246,636</u>	<u>\$ 63,113,163</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, 2022

	Program Services				Support Services		Total Expenses
	General, Manufacturing, Retail, Warehouses, and Recycling	Housing	Emergency Services and Shelter Assistance	Total Program Services	Development	Management and General	
Payroll	\$ 11,709,571	\$ 4,109,439	\$ 5,188,206	\$ 21,007,216	\$ 250,820	\$ 2,371,503	\$ 23,629,539
Payroll taxes and benefits	2,094,400	690,820	876,446	3,661,666	40,233	412,976	4,114,875
Purchases, freight and handling	1,859,750	-	-	1,859,750	-	-	1,859,750
Utilities	963,460	1,417,592	688,904	3,069,956	1,481	112,700	3,184,137
Client assistance	66,000	2,318,163	1,639,675	4,023,838	-	-	4,023,838
Client assistance, in-kind food	-	-	757,844	757,844	-	-	757,844
Telephone	168,911	114,282	71,220	354,413	4,157	9,143	367,713
Repairs and maintenance	811,524	1,252,688	183,816	2,248,028	-	-	2,248,028
Supplies and office expenses	1,056,134	150,844	475,565	1,682,543	58,640	61,365	1,802,548
Rent	2,650,918	93,505	25,509	2,769,932	-	-	2,769,932
Insurance	570,980	559,886	72,523	1,203,389	-	44,791	1,248,180
Professional services	252,798	196,806	24,064	473,668	-	64,591	538,259
Licenses, taxes, and fees	661,370	442,210	24,386	1,127,966	11,863	91,767	1,231,596
Interest expense	502,720	565,564	13,549	1,081,833	-	121,264	1,203,097
Provision for loan loss and bad debt	64,539	77,113	-	141,652	-	-	141,652
Advertising	192,550	21,511	6,399	220,460	-	-	220,460
Travel, conferences, and meetings	368,057	49,506	14,120	431,683	150	-	431,833
Vehicles	519,521	65,010	17,360	601,891	-	-	601,891
Special events	-	-	-	-	6,536	-	6,536
Other costs	164,828	252,565	38,924	456,317	-	-	456,317
Contracted services and labor	29,410	-	-	29,410	-	-	29,410
Total functional expenses before depreciation	24,707,441	12,377,504	10,118,510	47,203,455	373,880	3,290,100	50,867,435
Depreciation	784,969	1,913,631	269,736	2,968,336	-	28,278	2,996,614
Total functional expenses	<u>\$ 25,492,410</u>	<u>\$ 14,291,135</u>	<u>\$ 10,388,246</u>	<u>\$ 50,171,791</u>	<u>\$ 373,880</u>	<u>\$ 3,318,378</u>	<u>\$ 53,864,049</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, 2021

	Program Services				Support Services			Total Expenses
	General, Manufacturing, Retail, Warehouses, and Recycling	Housing	Emergency Services and Shelter Assistance	Total Program Services	Development	Management and General		
Payroll	\$ 10,568,534	\$ 3,924,677	\$ 4,226,979	\$ 18,720,190	\$ 164,283	\$ 2,174,939	\$ 21,059,412	
Payroll taxes and benefits	1,996,256	645,978	702,212	3,344,446	26,759	388,264	3,759,469	
Purchases, freight and handling	1,569,852	-	-	1,569,852	-	-	1,569,852	
Utilities	858,043	1,172,181	495,371	2,525,595	1,440	98,128	2,625,163	
Client assistance	136,416	2,222,186	3,464,359	5,822,961	170	-	5,823,131	
Client assistance, in-kind food	-	-	788,675	788,675	-	-	788,675	
Telephone	163,110	117,131	53,130	333,371	2,665	9,370	345,406	
Repairs and maintenance	502,174	1,171,033	96,597	1,769,804	-	-	1,769,804	
Supplies and office expenses	746,444	154,037	396,970	1,297,451	27,359	42,295	1,367,105	
Rent	2,233,283	111,070	23,823	2,368,176	-	-	2,368,176	
Insurance	258,986	246,354	72,034	577,374	-	19,708	597,082	
Professional services	157,948	179,583	19,322	356,853	-	48,662	405,515	
Licenses, taxes, and fees	823,121	252,122	16,579	1,091,822	8,102	78,064	1,177,988	
Interest expense	584,999	560,405	1,083	1,146,487	-	130,453	1,276,940	
Provision for loan loss and bad debt	-	118,261	-	118,261	-	-	118,261	
Advertising	143,609	6,563	4,272	154,444	-	-	154,444	
Travel, conferences, and meetings	281,170	34,762	14,358	330,290	1,325	-	331,615	
Vehicles	443,381	38,094	14,999	496,474	-	-	496,474	
Special events	-	-	-	-	5,867	-	5,867	
Other costs	41,168	446,679	107,727	595,574	-	-	595,574	
Contracted services and labor	153,512	-	-	153,512	-	-	153,512	
Total functional expenses before depreciation	21,662,006	11,401,116	10,498,490	43,561,612	237,970	2,989,883	46,789,465	
Depreciation	750,517	1,820,726	229,198	2,800,441	-	28,278	2,828,719	
Total functional expenses	\$ 22,412,523	\$ 13,221,842	\$ 10,727,688	\$ 46,362,053	\$ 237,970	\$ 3,018,161	\$ 49,618,184	

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, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 2,401,704	\$ 4,345,263
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,996,614	2,828,719
Amortization of deferred financing costs	42,289	64,614
Noncash donation of investment interest	(967,075)	-
Net change in allowance for receivables	77,114	118,088
Net (gain) loss on disposal of fixed assets	(363,639)	(288,549)
Unrealized (gain) loss on investments	238	2,269
Unrealized (gain) loss on unemployment deposit account	(2,560)	(16,304)
Debt forgiveness	(2,410,851)	-
(Increase) decrease in:		
Accounts receivable	43,297	(581,627)
Accounts receivable, related parties	(118,685)	2,831
Prepaid expenses and deposits	37,424	(149,095)
Inventory	505,277	421,583
Development fee receivable, related parties	560,144	(769,650)
Interest receivable, related parties	(57,580)	(87,649)
Increase (decrease) in:		
Accounts payable and accrued expenses	606,832	(9,226)
Payroll and related accruals	305,546	236,368
Other liabilities	(203,995)	(6,495)
Net cash provided by operating activities	3,452,094	6,111,140
Cash flows from investing activities		
Purchase of fixed assets	(11,475,371)	(1,799,134)
Proceeds from sale of fixed assets	594,000	393,000
Purchase of investments	(84,435)	(16,190)
Proceeds from sale of investments	2,535	11,435
Proceeds from notes receivable, Rural Rehabilitation	265,805	224,188
Issuance of notes receivable, Rural Rehabilitation	(303,266)	(246,011)
Proceeds from notes receivable, SHOP	17,026	-
Issuance of notes receivable, SHOP	(3,280)	(6,782)
Proceeds from notes receivable, related parties	109,476	75,375
Issuance of notes receivable, related parties	(70,000)	(3,332)
Proceeds from notes receivable, other	30,000	10,000
Proceeds from beneficial assets of related organization	4,889	-
Net cash used by investing activities	(10,912,621)	(1,357,451)

	<u>2022</u>	<u>2021</u>
Cash flows from financing activities		
Payments on long-term debt	(1,739,974)	(3,392,176)
Proceeds from issuance of long-term debt	9,000,000	1,500,000
Proceeds from line of credit	-	167,613
Payments on line of credit	(167,613)	-
Payments of loan fees	<u>-</u>	<u>(45,319)</u>
Net cash provided (used) by financing activities	<u>7,092,413</u>	<u>(1,769,882)</u>
Net increase (decrease) in cash and cash equivalents	(368,114)	2,983,807
Cash and cash equivalents, beginning of year	<u>13,886,495</u>	<u>10,902,688</u>
Cash and cash equivalents, end of year	<u>\$ 13,518,381</u>	<u>\$ 13,886,495</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 1,370,702</u>	<u>\$ 1,397,408</u>
Supplemental disclosure of noncash investing transactions		
Total acquisition of property and equipment	\$ 16,870,164	\$ 1,799,134
Noncash assumption of property and equipment	<u>(5,394,793)</u>	<u>-</u>
Total cash paid for property and equipment	<u>\$ 11,475,371</u>	<u>\$ 1,799,134</u>
Total increases (decreases) to investments	\$ (779,624)	\$ 2,486
Proceeds from sale of investments	2,535	11,435
Unrealized (gain) loss on investments	238	2,269
Decrease due to transfer of interest in limited partnership	<u>861,286</u>	<u>-</u>
Net cash paid for purchase of investments	<u>\$ 84,435</u>	<u>\$ 16,190</u>
Total reduction of notes receivable, related parties	\$ 1,922,356	\$ 75,375
Noncash payment due to transfer of interest in limited partnership	<u>(1,812,880)</u>	<u>-</u>
Total cash received from notes receivable, related parties	<u>\$ 109,476</u>	<u>\$ 75,375</u>
Supplemental disclosure of noncash financing transactions		
Total increase to long-term debt	\$ 10,333,443	\$ 1,500,000
Assumption of long-term debt	<u>(1,333,443)</u>	<u>-</u>
Total cash proceeds from issuance of long-term debt	<u>\$ 9,000,000</u>	<u>\$ 1,500,000</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 (through December 1, 2021) and SVDP Leverage Lender (beginning December 1, 2021), collectively referred to hereafter as “the Organization.” Inter-company transactions and balances have been eliminated.

Recent Accounting Pronouncements

During the year ended September 30, 2022, the Organization adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2020-07 Not-for-Profit Entities (Topic 958), *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 increased the transparency of contributed nonfinancial assets for not-for-profit entities through changes to presentation and disclosure. The ASU requires contributed nonfinancial assets to be presented as a separate line item in the consolidated statement of activities. The ASU also requires a disaggregation of the amount of contributed nonfinancial assets recognized within the consolidated statement of activities by category, along with the use, restrictions, and valuation techniques for each category. The Organization adopted the new standard effective October 1, 2021, using the full retrospective approach in these consolidated financial statements.

The FASB issued ASU No. 2016-02, *Leases* (Topic 842), which replaces existing lease accounting guidance. The new guidance is intended to provide enhanced transparency and comparability by requiring lessees to record right-of-use assets and corresponding lease liabilities on the consolidated statement of financial position for all leases with the terms exceeding twelve months. The standard requires applying a modified retrospective approach at the beginning of the earliest period presented with optional practical expedients. Once the new standard is adopted, there will be an increase in assets and liabilities on the consolidated statement of financial position of the Organization due to recording of right-of-use assets and corresponding lease liabilities. The amount of that increase will depend on the lease portfolio at the time of the adoption and is expected to be material to the consolidated financial statements; however, the Organization does not expect the adoption to have a material impact on net assets. The standard is effective for the fiscal year beginning October 1, 2022.

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, 2022 and 2021, the Organization had \$44,414,333 and \$41,246,636, 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.

Emergency Services and Shelter Assistance - The Organization 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, 2022 and 2021, management considered the amounts receivable fully collectible; therefore, no allowance was recorded. The carrying amount of the accounts receivable approximates fair value. Accounts receivable are considered current.

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, 2022 and 2021, 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

Inventory is comprised primarily of donated and purchased goods for re-sale in thrift stores and mattresses for recycling operations. 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 using thrift store values.

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. The estimated useful lives are 30 - 40 years for buildings, 7 - 15 years for improvements, and 5 - 7 years for equipment. During the year ended September 30, 2022, the Organization increased the threshold used for capitalization from \$5,000 to \$10,000; items less than the capitalization threshold are expensed.

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

The Organization has formed various limited partnerships some of which are owned 100 percent directly or indirectly by the Organization. The partnerships were formed to construct and operate affordable housing complexes.

Investments owned 100 percent directly or indirectly by the Organization are consolidated and inter-company transactions are eliminated.

As of September 30, 2022 and 2021, the Organization was the General Partner for 7 and 9 limited partnerships, respectively, in which the Organization owned a less than 50 percent interest (Note 4). 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, less impairment, if any. It is not practical to estimate the fair value of the partnership interests held by the Organization. Management considers 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, 2022 and 2021.

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 (Note 6). 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 (Note 9). 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 contributed funds were used as part of the New Market Tax Credit (NMTC) transaction which unwound on December 1, 2021 (Note 16). The bylaws of SVDP Leverage Lender stated 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 was not deemed to have control over SVDP Leverage Lender and, therefore, SVDP Leverage Lender was not required to be consolidated with the Organization for financial reporting under U.S. GAAP. The Organization recognized 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 was based on the amount contributed to the related organization and was 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.

Effective, December 1, 2021, as part of the NMTC transaction unwind, the Board of Directors of SVDP Leverage Lender filed a *Plan of Merger* with the state of Oregon to merge SVDP Leverage Lender into St. Vincent de Paul Society of Lane County, Inc. (the surviving organization), at which time the assets held by SVDP Leverage Lender, which consisted of a note receivable from a third party to the NMTC transaction were consolidated into the assets of St. Vincent de Paul Society of Lane County, Inc. See Note 16 for additional information on the NMTC transaction.

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; Society of St. Vincent de Paul of Lane County – tax-exempt under IRC Section 501(c)(3) and SVDP Leverage Lender – tax-exempt under IRC Section 501(c)(3). The Organization and its subsidiaries file applicable tax forms in the U.S. federal jurisdiction, the state of Oregon, and the state of California. The returns are generally subject to examination by taxing authorities for a period of three years after filing.

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

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

Revenue Recognition

Contributions – Contribution 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 absence or 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 (released) 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.

Donated Goods and Services – The Organization records the value of donated goods and use of facilities (contributions, in-kind) using the estimated fair market value of the donated good/use of facilities at the date of donation. Donated goods for the retail and recycling program are estimated by management using a fraction of actual sales. The Organization records the value of donated services when the services meet the criteria for recognition in accordance with U.S. GAAP and are valued at the fair market value of similar services in the current market. The Organization also receives donated services from a variety of unpaid volunteers who assist with programs in nonspecialized roles. Approximately 15,963 hours and 12,854 hours were donated by unpaid volunteers in 2022 and 2021, respectively. No amounts have been reflected in the consolidated financial statements for these donated hours. Donated goods and services are both utilized by the Organization's programs and monetized – see Note 12.

Grants – Grant revenue is primarily from expense reimbursement based grants for which grant revenue is recognized as qualified expenses are incurred, subject to the amount authorized in the grant agreement. Earned, but not yet reimbursed 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 with no conditions (unconditional promises). Conditional promises are not recognized until conditions are met, that is the promise becomes unconditional.

Retail Sales – Retail sales revenue is recognized at the point in time in which the sale is made, which is considered satisfaction of the performance obligation, and is presented net of returns. There are no elements of variable consideration in the implied contracts for retail sales.

Contract Services – Contract service revenue is primarily comprised of revenue earned from mattress recycling services and related transportation. The underlying contract outlines the performance obligations and allocates a set price to those obligations. Revenue is recognized for recycling services on a per-unit basis at the per-unit price per the contract, and is recognized at the time the recycling service is completed for the unit, which is considered satisfaction of the performance obligation. The contract also includes compensation for transportation services for the mattresses. Revenue from transportation services is recognized on a per-trailer basis at the price set in the contract, and is recognized at the time the transportation service is completed, which is considered satisfaction of the performance obligation. There are no elements of variable consideration in the recycling service contracts.

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

Management Fees and Partnership Reimbursements – Revenue from property management fees is earned as the property management services, as outlined in the underlying property management agreements, are provided, which is considered satisfaction of the performance obligation. Revenue is generally considered earned and is recognized on a monthly basis. Reimbursement revenue is recognized when the expense, which is to be reimbursed, is incurred. There are no elements of variable consideration in the property management agreements (contracts).

Developer Fee Income – Developer fee income is earned as certain benchmarks, as outlined in the underlying development services agreement, are accomplished, which is considered satisfaction of the performance obligations. The development services agreements detail the separate performance obligations and outline how the total fee should be allocated to those separate performance obligations. There are no elements of variable consideration in the development services agreements (contracts).

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

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.

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.

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

2. Cash and Cash Equivalents and Concentrations of Deposit Risk

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

	<u>2022</u>	<u>2021</u>
Unrestricted cash and cash equivalents	\$ 5,612,212	\$ 5,895,513
Restricted cash and cash equivalents	<u>7,906,169</u>	<u>7,990,982</u>
Total cash and cash equivalents	<u>\$ 13,518,381</u>	<u>\$ 13,886,495</u>

Deposits with financial institutions include bank demand deposits, money market accounts, and certificates of deposit. Deposits held at financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each financial institution. Balances held may from time to time exceed federally insured limits. The total bank balance of these accounts were \$13,005,095 and \$14,303,169 for the years ended September 30, 2022 and 2021, respectively. Of these deposits, \$4,075,578 and \$3,613,061 were covered by federal depository insurance at September 30, 2022 and 2021, respectively. Balances of \$8,929,517 and \$10,690,108 as of September 30, 2022 and 2021, respectively, were not insured.

3. Accounts and Grants Receivable and Concentrations of Credit Risk

Receivables are comprised of amounts due pursuant to terms of various grant agreements, contracts for services and other amounts and reimbursements owed by various agencies.

As of September 30, receivables were comprised of the following:

	<u>2022</u>	<u>2021</u>
Grants receivable	\$ 914,180	\$ 1,222,488
Contract receivables	698,137	477,663
Other receivables	<u>497,753</u>	<u>453,216</u>
Total accounts and grants receivable	<u>\$ 2,110,070</u>	<u>\$ 2,153,367</u>

As of September 30, 2022 and 2021, approximately 51 percent and 56 percent, respectively, of total receivables were due from two agencies. Amounts are not collateralized. Given the nature of the underlying agreements, the amounts are considered fully collectible by management.

U.S. GAAP also requires the Organization to disclose the balance of accounts receivables as of the beginning of each year presented. As of October 1, receivables were comprised of the following:

	<u>2021</u>	<u>2020</u>
Grants receivable	\$ 1,222,488	\$ 557,890
Contract receivables	477,663	656,005
Other receivables	<u>453,216</u>	<u>357,845</u>
Total accounts and grants receivable	<u>\$ 2,153,367</u>	<u>\$ 1,571,740</u>

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

4. 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:

	Ownership Interest	<u>2022</u>	<u>2021</u>
Alona Place Limited Partnership	.01%	\$ 100,628	\$ 100,648
Bascom Village Limited Partnership	.01%	1,246,806	1,246,820
Heather Glen Limited Partnership	.01%	(129)	(115)
Iris Place Limited Partnership	.01%	886,640	802,212
Lamb Building Limited Partnership	.10%	1,132,533	1,132,698
Myrtlewood Limited Partnership	.01%	114,594	114,617
Royal Building Limited Partnership	.01%	-	324,187
Santa Clara Limited Partnership	.01%	-	537,099
Stellar Apartments Limited Partnership	.01%	745,790	745,808
Other investments	100%	<u>28,234</u>	<u>30,746</u>
Total investments		<u>\$ 4,255,096</u>	<u>\$ 5,034,720</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, as of December 31, were as follows:

	<u>2021</u>	<u>2020</u>
Total assets	\$ 63,214,283	\$ 51,172,973
Total liabilities	25,107,395	15,226,789
Net loss for the years ended December 31,	(1,461,767)	(1,506,500)

During the year ended September 30, 2022, the investor limited partners for Royal Building Limited Partnership (effective March 1, 2022) and Santa Clara Limited Partnership (effective May 1, 2022) exited the partnerships and assigned their 99.99 percent investor limited partner interests to De Paul PM, LLC, a wholly owned subsidiary of St. Vincent de Paul Society of Lane County, Inc. At the time the partnership interests were assigned, the partnerships became effectively wholly owned by the Organization. At the time of assignments, the assets and liabilities of the partnerships 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 dates of the assignments. The net gain recognized from the assumption of the exiting partners interests in the partnerships was \$1,460,385.

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

5. Fixed Assets

At September 30, a summary fixed assets were comprised of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 27,774,984	\$ 24,158,125
Buildings and improvements	73,290,023	61,342,369
Equipment	5,849,611	5,542,104
Landscaping	64,474	64,474
Construction in progress and assets in development	<u>868,707</u>	<u>182,334</u>
	107,847,799	91,289,406
Accumulated depreciation	<u>(27,035,738)</u>	<u>(24,120,534)</u>
Fixed assets, net	<u>\$ 80,812,061</u>	<u>\$ 67,168,872</u>

6. Notes Receivable, Rural Housing Rehabilitation Program (RHRP)

In 2002, the Organization began the RHRP for Lane County which provides loans to eligible homeowners to improve the structure of their homes, and create a safer and healthier environment in which to live. They have subsequently added loans from the cities of Cottage Grove, Florence, Lowell, and Oakridge, Oregon. The loans generally accrue interest annually at 1 percent to 3 percent for the first 5 to 7 years of the loan. The loans are secured by real estate. Each loan has a 20-year term and can be renewed in 5-year increments after the first 20 years. The notes receivable are presented net of an allowance for uncollectible accounts of \$213,322 and \$216,630, as of September 30, 2022 and 2021, respectively. All loans are considered to be long-term.

7. Lines of Credit

At September 30, 2022, the Organization has three revolving lines of credit totaling \$2,900,000 with Banner Bank that mature July 2023. Interest is payable monthly based on a variable rate index and is subject to minimum and maximum rate limitations (effective rate of 6.250 and 3.625 percent at September 30, 2022 and 2021). Collateral is provided by accounts receivable, inventory, and equipment. At September 30, 2022 and 2021, outstanding borrowings on the revolving lines of credit were \$0 and \$167,613, respectively, and the amount available on the lines of credit was \$2,900,000 and \$2,732,387, 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, 2022 and 2021.

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

8. Long-term Debt

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

	2022	2021
Notes payable, Wells Fargo Community Development Corp., with quarterly payments of interest only at 2.00%, due January 2027, secured by real estate.	\$ 250,000	\$ 250,000
Notes payable, Enhanced Capital New Market Development Fund 52, LLC, with quarterly payments of interest only at 1.0175%, due December 2044, secured by real estate. Debt forgiven December 1, 2021 (Note 16).	-	8,000,000
Note payable, Umpqua Bank, with monthly payments of \$418, including interest at 4.35%, due April 2031, secured by real estate.	37,064	40,354
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.	2,742,965	2,862,472
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 October 2029 through October 2040 or when the underlying property is sold, secured by real estate.	1,715,826	1,680,469
Note payable, state of Oregon, OECD, with annual payments of \$14,070, including interest at 5.35%, due December 2029, secured by real estate.	1,047,143	1,162,324
Notes payable, Banner Bank, with monthly payments of \$1,906 to \$43,403, including interest at 2.25% to 4.50%, due at various dates from December 2027 through April 2043, secured by real estate, other assets, and assignment of rents.	14,067,607	14,576,912
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.	918,496	1,028,315
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.	8,414,528	8,391,636
Note payable, city of Portland, no monthly payments, non-interest bearing, due November 2079, secured by real estate.	3,213,319	3,213,319

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

8. Long-term Debt, continued

	<u>2022</u>	<u>2021</u>
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 April 2035 through December 2035, secured by real estate.	644,643	666,727
Notes payable, Anita B. Stelling, interest only payments with interest at 3.50% to 4.00%, through April 2023 or when underlying property is sold, secured by real estate.	584,000	584,000
Note payable, state of California, with monthly payments of \$5,797, including interest at 4.00%, due January 2026, secured by real estate.	116,480	180,037
Note payable, KeyBank, with monthly payments of \$3,303, including interest at 5.15%, due September 2028, secured by vehicles, equipment, and real estate.	224,579	251,698
Notes payable, Community Frameworks, non-interest bearing, forgivable loan, secured by real estate. Forgiven.	-	18,930
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.	67,536	77,068
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 from November 2026 through December 2026, secured by real estate.	54,508	60,407
Note payable, city of Salem, with monthly payments of \$417, non-interest bearing, due January 2034, secured by real estate.	56,388	61,388
Note payable, Summit Bank, with monthly payments of \$5,789, including interest at 3.75%, due July 2034, secured by real estate.	663,053	706,763
Note payable, U.S. Small Business Administration, with monthly payments of \$282 in deferment until 2022, including interest at 2.75%, due May 2050, secured by real estate.	148,510	150,000
Note payable, Oregon Community Foundation, interest accrues per annum rate of 2.25%, interest only payment of \$202,500 due May 2023; principal and accrued interest due in full May 2024, secured by real estate.	9,000,000	-

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

8. Long-term Debt, continued

	2022	2021
Note payable, First Interstate Bank, with monthly payments of \$5,181, including interest at 5.97%, due January 2036, secured by real estate.	570,713	-
	44,537,358	43,962,819
Unamortized deferred financing costs	(373,697)	(1,119,468)
Current portion	(1,619,047)	(1,818,713)
Long-term debt, net of current portion and unamortized deferred financing costs	<u>\$ 42,544,614</u>	<u>\$ 41,024,638</u>

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

For the Year Ending September 30,	
2023	\$ 1,619,047
2024	10,551,910
2025	1,545,444
2026	3,818,855
2027	1,500,376
Thereafter	25,501,726
Total	<u>\$ 44,537,358</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, 2022 and 2021, the Organization's management believes the Organization was in compliance with all such covenants.

9. Related Party Transactions

Development Fees Receivable, Related Parties

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

	2022	2021
Iris Place Limited Partnership, total developer fee of \$1,100,000, of which \$1,100,000 had been earned, and \$311,136 was receivable, as of September 30, 2022. Of the total fee, \$950,000 is expected to be paid from designated capital proceeds and is considered current; the remaining \$150,000 is expected to be paid from available cash flow. Receivable does not bear interest per the terms of the agreement.	\$ 311,136	\$ 871,280
Current portion	(161,136)	(760,000)
Development fees receivable, related parties, net of current portion	<u>\$ 150,000</u>	<u>\$ 111,280</u>

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

9. Related Party Transactions, continued

Notes Receivable, Related Parties

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

	<u>2022</u>	<u>2021</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.	\$ 86,258	\$ 153,808
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.	700,000	630,000
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. Considered paid in full at time of assignment of partnership interest (Note 4).	-	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. Considered paid in full at time of assignment of partnership interest (Note 4).	-	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>663,524</u>	<u>705,450</u>
Notes receivable, related parties	<u>\$ 3,578,360</u>	<u>\$ 5,430,716</u>

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

9. Related Party Transactions, continued

Notes Receivable, Related Parties, continued

Total interest income from these notes was \$135,240 and \$153,836 for the years ended September 30, 2022 and 2021, respectively. Total accrued interest on the notes receivable, net of the allowance, was \$112,748 and \$389,063 for the years ended September 30, 2022 and 2021, respectively. Total accrued interest is reported net of allowance of \$615,829 and \$902,886 for the years ended September 30, 2022 and 2021, 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, 2022 and 2021, there were 7 and 9 limited partnerships, respectively, for which the Organization acted as property manager. Income from property management and reimbursements totaled \$917,223 and \$883,718 for the years ended September 30, 2022 and 2021, respectively.

10. Lease Obligations

The Organization leases, as lessee, buildings for store operations, the Interfaith Emergency Shelter System, and manufacturing facilities under non-cancelable operating leases expiring at various dates through August 2036. Total rent expense for the years ended September 30, 2022 and 2021 was \$2,769,932 and \$2,368,176, including \$2,379,958 and \$1,960,352 respectively, for all facilities under non-cancelable operating leases.

At September 30, 2022, future minimum lease payments under such leases were as follows:

<u>For the Year Ending September 30,</u>	
2023	\$ 2,158,870
2024	2,192,321
2025	1,998,881
2026	1,310,275
2027	1,041,827
Thereafter	<u>1,782,724</u>
Total	<u>\$ 10,484,898</u>

11. Contingencies

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

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

12. Contributions, In-Kind

The Organization receives noncash donations throughout the year for use in its programs. For the years ended September 30, 2022 and 2021, noncash donations were comprised of the following:

	<u>2022</u>	<u>2021</u>
Donated goods - retail and recycling programs	\$ 11,291,732	\$ 11,191,206
Food	757,843	788,675
Other goods	70,068	127,337
Use of facilities	<u>21,000</u>	<u>21,000</u>
Contributions, in-kind	<u>\$ 12,140,643</u>	<u>\$ 12,128,218</u>

The donated goods for retail and recycling programs include vehicles, mattresses, furniture, clothing, books, household goods and other items that are processed and sold as part of the retail thrift store and recycling programs (monetized). The food received is distributed as direct aid to individuals (utilized). The other goods received and use of facilities are also used in the Organization's programs (utilized).

13. Net Assets With Donor Restrictions

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

	<u>2022</u>	<u>2021</u>
Emergency services and shelter assistance:		
General	\$ 709,511	\$ 811,404
Buildings and equipment	<u>5,878,386</u>	<u>5,173,168</u>
Total emergency services and shelter assistance	<u>6,587,897</u>	<u>5,984,572</u>
Housing program:		
General	6,388,635	6,029,504
Buildings and equipment	23,819,714	20,856,438
Notes receivable – RHRP	2,977,039	2,936,270
Notes receivable – SHOP	385,610	399,356
Investments in low income housing projects	<u>4,255,096</u>	<u>5,034,720</u>
Total housing program	<u>37,826,094</u>	<u>35,256,288</u>
Other program:		
General – maintenance reserve	<u>342</u>	<u>5,776</u>
Total net assets with donor restrictions	<u>\$ 44,414,333</u>	<u>\$ 41,246,636</u>

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

14. Contribution to Related Party - Aster, Inc.

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

	<u>2022</u>	<u>2021</u>
Cash and reserves	\$ 358,222	\$ 364,295
Accounts receivable	-	484
Prepaid expenses	4,840	4,602
Land, building, and leasehold improvements, net of accumulated depreciation of \$2,157,673 in 2022 and \$2,011,972 in 2021	<u>4,172,471</u>	<u>4,295,746</u>
Total assets	<u>\$ 4,535,533</u>	<u>\$ 4,665,127</u>
Accounts payable and other liabilities	\$ 15,077	\$ 33,419
Net assets	<u>4,520,456</u>	<u>4,631,708</u>
Total liabilities and net assets	<u>\$ 4,535,533</u>	<u>\$ 4,665,127</u>

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

	<u>2022</u>	<u>2021</u>
Unrestricted cash and cash equivalents	\$ 5,612,212	5,895,513
Receivables:		
Accounts and grants receivable	2,110,070	2,153,367
Accounts receivable, related parties	327,822	299,931
Current portion of development fee receivable, related parties	161,136	760,000
Current portion of interest receivable, related parties	<u>55,716</u>	<u>72,044</u>
Financial assets available for general expenditure	<u>\$ 8,266,956</u>	<u>\$ 9,180,855</u>

As noted in Note 7, 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. New Market Tax Credit Transaction Unwind

During the year ended June 30, 2015, St. Vincent de Paul Society of Lane County, Inc., Society of St. Vincent de Paul of Lane County, and SVDP Leverage Lender entered into agreements with unrelated third parties to facilitate obtaining an allocation of new market tax credits for the improvements made to the Organization's administrative and program services building. As a result of that transaction, the Society of St. Vincent de Paul of Lane County entered into agreements with Enhanced Capital New Market Development Fund 52, LLC, an unrelated organization, for notes payable totaling \$8,000,000. Additionally, as part of the transaction, St. Vincent de Paul Society of Lane County, Inc. contributed \$4,888,900 to SVDP Leverage Lender. SVDP Leverage Lender then lent those funds to St. Vincent de Paul Investment Fund, LLC, an unrelated organization. On December 1, 2021, Wells Fargo Community Investment Holdings, LLC exercised its put option which required St. Vincent de Paul Society of Lane County, Inc. to purchase the entire LLC interest in St. Vincent de Paul Investment Fund, LLC for \$1,000. St. Vincent de Paul Investment Fund, LLC was the sole member of Enhanced Capital New Market Development Fund 52, LLC. As a result of the assignment of member interest, St. Vincent de Paul Society of Lane County, Inc. became the holder of the note owed by Society of St. Vincent de Paul of Lane County for \$8,000,000 and St. Vincent de Paul Society of Lane County, Inc. became the holder of the note owed to SVDP Leverage Lender for \$4,888,900. St. Vincent de Paul Society of Lane County, Inc. forgave the loan for \$8,000,000 owed by Society of St. Vincent de Paul of Lane County and SVDP Leverage Lender forgave the loan for \$4,888,900 owed by St. Vincent de Paul Society of Lane County, Inc. Additionally, there were \$719,179 of unamortized deferred financing costs related to the original transaction that were fully amortized at the time of the unwind. The net result of the dissolution of the new market tax credit transaction was net debt forgiveness of \$2,391,921 which is recognized in the consolidated statement of activities for the year ended September 30, 2022.

Subsequent to the NMTC transaction unwind, effective April 20, 2022, Society of St. Vincent de Paul of Lane County amended its bylaws to update its purpose and in order to separate control of the organization from St. Vincent de Paul Society of Lane County, Inc. thereby no longer requiring consolidation under U.S. GAAP. At the same time, the organization changed its name to HOPE Community Corporation. There was no financial impact as a result of the deconsolidation because there were no assets, liabilities, or net assets remaining in Society of St. Vincent de Paul of Lane County after the unwind of the NMTC transaction.

17. Reclassification

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

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, 2022

Federal Grantor/Pass-through Grantor/Program Title	Contract / Loan Number	Assistance Listing 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>157,048</u>
U.S. Department of Housing and Urban Development			
<i>CDBG - Entitlement Grants Cluster</i>			
Passed-through Lane County: COVID-19 Community Development Block Grant/ Entitlement Grants	56224, 54859, 57174	14.218	208,191
Community Development Block Grant/Entitlement Grants	56222, 56223	14.218	60,352
Passed-through city of Portland: Community Development Block Grant/Entitlement Grants	3110285	14.218	<u>3,213,319</u>
Total CDBG - Entitlement Grants Cluster			3,481,862
Passed-through city of Cottage Grove: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	CG1	14.228	235
Passed-through city of Florence: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	H21009	14.228	82,192
Passed-through city of Junction City: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	HR805	14.228	2,202
Passed-through city of Veneta: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	H16013	14.228	19
Passed-through city of Lowell: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	HR020021	14.228	11
Passed-through city of Creswell: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	H19011	14.228	172,798
Passed-through Lane County: COVID-19 Emergency Solutions Grant Program	56224, 55592, 55833, 58459, 56945	14.231	2,216,065
Emergency Solutions Grant Program	55592	14.231	126,972
Passed-through city of Eugene: Home Investment Partnerships Program	2019-02171/2021-02199, 2016- 02187	14.239	100,919
Passed-through Community Frameworks: Self-Help Homeownership Opportunity Program	SVDP-09-01	14.247	18,930

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended September 30, 2022

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	OR0003L0E002013, OR0003L0E002114	14.267	264,066
Continuum of Care Program - LIFT	OR0009L0E002013, OR0009L0E002114	14.267	303,060
Continuum of Care Program - Vet LIFT	OR0015L0E002013, OR0015L0E002114	14.267	<u>206,012</u>
Total U.S. Department of Housing and Urban Development			<u>6,975,343</u>
U.S. Department of the Treasury			
Passed-through Network for Oregon Affordable Housing:			
Community Development Financial Institutions Program	1003226, 1003233 1003241, 1003345	21.020	694,154
Passed-through Lane County:			
COVID-19 Emergency Rental Assistance Program	55561	21.023	1,442,620
Passed-through Lane County:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	55833	21.027	<u>197,508</u>
Total U.S. Department of the Treasury			<u>2,334,282</u>
General Services Administration			
Direct Award - Donation of Federal Surplus Personal Property		39.003	<u>13,806</u>
U.S. Small Business Administration			
Direct Awards -			
COVID-19 Disaster Assistance Loans	1998937805	59.008	<u>150,000</u>
U.S. Department of Veterans Affairs			
Direct Award - Veteran Rehabilitation - Alcohol and Drug Dependence	36C26019D0003	64.019	126,076
Direct Award - VA Homeless Providers Grant and Per Diem Program	SSVC786--1505-653-PD-21	64.024	525,413
Direct Award - VA Supportive Services for Veteran Families	18-OR-066	64.033	670,357
Direct Award - COVID-19 VA Supportive Services for Veteran Families	18-ORR-066CA	64.033	<u>842,840</u>
Total U.S. Department of Veteran Affairs			<u>2,164,686</u>
U.S. Department of Homeland Security			
Direct Award - Emergency Food and Shelter National Board Program		97.024	<u>8,250</u>
Total federal awards			<u>\$ 11,803,415</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, 2022

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, 2022. 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, 2022.

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, 2022

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, 2022, the outstanding loan balances on such loans were as follows:

<u>Federal Agency</u>	<u>Program Title</u>	<u>Assistance Listing 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 the Treasury: Passed-through Network for Oregon Affordable Housing	Community Development Financial Institutions Program	21.020	655,824
U.S. Department of the Treasury:	Economic Injury Disaster Disaster Loan	59.008	<u>148,510</u>
			<u>\$ 4,017,653</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, 2022 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 9, 2023.

Report on 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 consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on 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 disclosed no 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 9, 2023

**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

Opinion on 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance and further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

The Right People Beside You.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Jones & Roth P.C.

Jones & Roth, P.C.
Eugene, Oregon
February 9, 2023

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2022

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, 2022.
- No significant deficiencies and no material weaknesses in internal control were disclosed by the audit of the consolidated financial statements.
- No instances of noncompliance material to the consolidated financial statements of the Organization, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- No significant deficiencies and no material weaknesses were disclosed during the audit of the major federal award programs.
- The independent auditor's report on compliance for the major federal award programs for the Organization expresses an unmodified opinion on all major federal programs.
- There are no audit findings or questioned costs disclosed during the audit that are required to be reported in this schedule in accordance with the Uniform Guidance.
- The programs tested as major programs were:

U.S. Department of Housing & Urban Development Community Development Block Grant	Assistance Listing # 14.218
U.S. Department of the Treasury Emergency Rental Assistance Program	Assistance Listing # 21.023
U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds	Assistance Listing # 21.027
- 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, 2022

Prior Year Findings – Consolidated Financial Statement Audit

None.

Findings and Questioned Costs – Major Federal Award Programs Audit

None.

SUPPLEMENTARY INFORMATION

OAKWOOD MANOR LIMITED PARTNERSHIP
SCHEDULE OF ASSETS, LIABILITIES, AND PARTNERS' CAPITAL
September 30, 2022

Assets

Current assets

Cash in bank	\$ 50,841
Prepaid expenses	41,900
Tenant accounts receivable	<u>9,687</u>

Total current assets	<u>102,428</u>
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Restricted cash - funded reserves

Resident security deposits	49,402
Replacement reserve	35,164
Insurance reserve	<u>21,719</u>

Total restricted cash - funded reserves	<u>106,285</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>(1,443,734)</u>

	663,965
Land	<u>412,300</u>

Rental property, net	<u>1,076,265</u>
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Total assets	<u>\$ 1,284,978</u>
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Liabilities and Partners' Capital

Current liabilities

Deferred rent revenue	\$ 12,099
Accrued interest	170
Due to General Partner, current portion	<u>108,895</u>
Total current liabilities	<u>121,164</u>

Notes payable

Note payable, State of Oregon Housing and Community Services	1,047,143
Note payable, city of Eugene	317,897
Unamortized deferred financing costs, net of accumulated amortization	<u>(28,038)</u>
Total notes payable, net of unamortized deferred financing costs	<u>1,337,002</u>

Other liabilities

Due to General Partner, net of current portion	330,088
Resident security deposit liability	<u>49,402</u>
Total other liabilities	<u>379,490</u>

Total liabilities 1,837,656

Partners' capital (deficit)

(552,678)

Total liabilities and partners' capital

\$ 1,284,978

OAKWOOD MANOR LIMITED PARTNERSHIP
 SCHEDULE OF OPERATIONS AND PARTNERS' CAPITAL
 For the Year Ended September 30, 2022

Revenue

Net rental income	\$ 478,191
Interest income	23
Laundry fees	6,628
Other income	<u>4,713</u>

Total revenue	<u>489,555</u>
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Operating expenses

Depreciation	140,788
Insurance	45,313
Interest, including \$4,104 of amortization of deferred financing costs	77,552
Licenses and fees	10,052
Miscellaneous	1,990
Professional services	4,232
Property management	22,908
Repairs and maintenance	123,054
Salaries and related payroll taxes and benefits	67,560
Telephone	5,797
Trash removal	20,408
Utilities	<u>54,699</u>

Total operating expenses	<u>574,353</u>
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Net loss	(84,798)
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Partners' capital (deficit), beginning of year	<u>(467,880)</u>
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Partners' capital (deficit), end of year	<u><u>\$ (552,678)</u></u>
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OAKWOOD MANOR LIMITED PARTNERSHIP
SCHEDULE OF CASH FLOWS
For the Year Ended September 30, 2022

Cash flows from operating activities

Net loss	\$ (84,798)
Noncash items included in net loss:	
Depreciation	140,788
Amortization of deferred financing costs	4,104
Adjustments to reconcile net loss to net cash provided by operating activities:	
(Increase) decrease in:	
Prepaid expenses	(35,168)
Tenant accounts receivable	7,518
Increase (decrease) in:	
Deferred rent revenue	4,765
Accrued interest	(2,386)
Due to General Partner	(91,105)
Resident security deposit liability	<u>2,561</u>
Net cash used by operating activities	(53,721)

Cash flows from financing activities

Payments on notes payable	<u>(125,677)</u>
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Net decrease in cash and restricted cash

(179,398)

Cash and restricted cash, beginning of year

336,524

Cash and restricted cash, end of year

\$ 157,126

Reconciliation of cash and restricted cash from schedule of cash flows to schedule of assets, liabilities, and partners' capital

Cash	\$ 50,841
Tenant security deposits	49,402
Replacement reserve	35,164
Insurance reserve	<u>21,719</u>

Total cash and restricted cash as reported on the schedule of assets, liabilities, and partners' capital

\$ 157,126

OAKWOOD MANOR LIMITED PARTNERSHIP
COMPUTATION OF SURPLUS CASH
For the Year Ended September 30, 2022

Cash

Cash on hand	\$ 50,841
Resident security deposits	49,402
Approved replacement reserve requests	<u>3,824</u>

Total cash 104,067

Current obligations

Accrued interest	170
Deferred rent revenue (prepaid rents)	12,099
Resident security deposit liability	49,402
Other: Due to General Partner, short-term	<u>108,895</u>

Total current obligations 170,566

Surplus cash (deficiency) \$ (66,499)

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, 2022

	Skinner Butte	Hope Circle	Mac McDonald	Ross Lane
Revenues				
Rental income, net of vacancies	\$ 225,255	\$ 91,449	\$ 145,652	\$ 242,684
Laundry income	326	-	-	5,159
Grants and donations	-	-	-	-
Other income	611	-	436	3,655
Interest income	-	-	-	-
Total revenues	<u>226,192</u>	<u>91,449</u>	<u>146,088</u>	<u>251,498</u>
Expenses				
Advertising	-	-	-	-
Office	220	-	-	59
Property management fees	16,845	7,343	11,285	19,258
Manager rent free unit	-	-	-	-
Accounting and legal	9,136	2,585	4,433	8,894
Telecommunications/phone	2,872	-	-	4,418
Other administrative	-	36	72	108
Utilities	27,120	-	567	28,482
Salaries, payroll taxes and benefits	19,789	5,585	12,766	57,794
Contract services - other	-	-	-	-
Contract services - grounds	-	-	7,200	8,000
Contract services - repairs and maintenance	20,485	7,787	13,131	52,720
Garbage	2,839	-	-	11,754
Security service fee	-	-	-	-
Other operating and maintenance	-	-	-	236
Insurance	12,037	9,536	16,365	19,621
Fees, licenses, and taxes	3,559	3,564	1,614	3,312
Interest expense	-	-	9,810	12,523
Depreciation	29,627	37,191	69,264	114,321
Total operating expenses	<u>144,529</u>	<u>73,627</u>	<u>146,507</u>	<u>341,500</u>
Operating net income (loss)	81,663	17,822	(419)	(90,002)
Non-operating revenue (expense)				
Insurance proceeds - casualty event	-	-	-	-
Repairs expense - casualty event	-	-	-	-
Net income (loss)	<u>\$ 81,663</u>	<u>\$ 17,822</u>	<u>\$ (419)</u>	<u>\$ (90,002)</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, 2022

	Blue Belle I	Blue Belle II	Hilyard Terrace	Oak Terrace
Revenues				
Rental income, net of vacancies	\$ 66,453	\$ 19,940	\$ 138,601	\$ 288,862
Laundry income	-	-	975	4,772
Grants and donations	-	-	-	-
Other income	822	246	975	2,187
Interest income	-	-	24	43
Total revenues	<u>67,275</u>	<u>20,186</u>	<u>140,575</u>	<u>295,864</u>
Expenses				
Advertising	-	-	-	-
Office	-	-	-	430
Property management fees	5,144	1,543	11,044	25,212
Manager rent free unit	-	-	-	7,188
Accounting and legal	2,175	652	4,544	8,809
Telecommunications/phone	-	-	4,013	21,210
Other administrative	30	9	-	48,341
Utilities	1,713	514	11,219	44,326
Salaries, payroll taxes and benefits	10,972	3,292	13,131	1,514
Contract services - other	-	-	40	205
Contract services - grounds	2,708	812	8,284	4,495
Contract services - repairs and maintenance	14,585	4,376	13,269	75,136
Garbage	3,952	1,186	-	-
Security service fee	-	-	-	-
Other operating and maintenance	-	-	442	-
Insurance	7,141	2,143	15,436	32,052
Fees, licenses, and taxes	12,814	3,845	2,809	6,771
Interest expense	-	-	3,065	11,375
Depreciation	25,040	7,513	48,352	66,074
Total expenses	<u>86,274</u>	<u>25,885</u>	<u>135,648</u>	<u>353,138</u>
Operating net income (loss)	(18,999)	(5,699)	4,927	(57,274)
Non-operating revenue (expense)				
Insurance proceeds - casualty event	-	-	-	165,999
Repairs expense - casualty event	-	-	-	(143,815)
Net income (loss)	<u>\$ (18,999)</u>	<u>\$ (5,699)</u>	<u>\$ 4,927</u>	<u>\$ (35,090)</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, 2022

	Stayton Family	Ash Meadows	Spruce Terrace	Aurora Housing
Revenues				
Rental income, net of vacancies	\$ 315,397	\$ 125,966	\$ 240,721	\$ 333,052
Laundry income	1,392	-	5,650	2,923
Grants and donations	-	-	-	-
Other income	4,386	732	1,741	1,733
Interest income	14	18	216	452
Total revenues	<u>321,189</u>	<u>126,716</u>	<u>248,328</u>	<u>338,160</u>
Expenses				
Advertising	-	13,793	-	-
Office	925	262	829	274
Property management fees	35,230	14,624	31,900	32,531
Manager rent free unit	6,962	-	6,095	2,655
Accounting and legal	11,042	6,072	6,454	21,827
Telecommunications/phone	4,701	130	21,316	11,530
Other administrative	-	-	35,042	1,072
Utilities	52,909	995	42,114	38,314
Salaries, payroll taxes and benefits	31,832	778	816	18,157
Contract services - other	1,048	40	-	2,470
Contract services - grounds	4,265	24,129	14,253	22,313
Contract services - repairs and maintenance	103,128	50,806	51,644	96,878
Garbage	21,150	-	-	-
Security service fee	-	-	-	12,040
Other operating and maintenance	1,731	1,686	-	-
Insurance	33,937	11,994	14,857	41,175
Fees, licenses, and taxes	8,030	2,344	5,035	6,270
Interest expense	25,059	2,772	11,163	25,757
Depreciation	72,365	23,565	55,778	174,566
Total expenses	<u>414,314</u>	<u>153,990</u>	<u>297,296</u>	<u>507,829</u>
Operating net income (loss)	(93,125)	(27,274)	(48,968)	(169,669)
Non-operating revenue (expense)				
Insurance proceeds - casualty event	-	-	-	-
Repairs expense - casualty event	-	-	-	-
Net income (loss)	<u>\$ (93,125)</u>	<u>\$ (27,274)</u>	<u>\$ (48,968)</u>	<u>\$ (169,669)</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, 2022

	Corey Commons	Saginaw	Oak Leaf	Arbor
Revenues				
Rental income, net of vacancies	\$ 151,705	\$ 199,988	\$ 160,110	\$ 729,743
Laundry income	1,116	833	1,074	-
Grants and donations	-	97,688	-	7,000
Other income	410	703	93	1,617
Interest income	1	-	-	-
Total revenues	<u>153,232</u>	<u>299,212</u>	<u>161,277</u>	<u>738,360</u>
Expenses				
Advertising	-	-	-	-
Office	-	-	207	4,823
Property management fees	12,777	20,189	16,175	84,365
Manager rent free unit	-	-	-	-
Accounting and legal	3,488	21,556	12,734	19,451
Telecommunications/phone	8,770	386	5,674	3,947
Other administrative	1,125	601	942	2,111
Utilities	22,736	4,174	43,118	139,351
Salaries, payroll taxes and benefits	2,119	21,994	8,278	77,091
Contract services - other	853	-	-	-
Contract services - grounds	7,735	6,756	375	3,159
Contract services - repairs and maintenance	34,917	21,666	22,009	38,473
Garbage	-	13,473	16,035	120,812
Security service fee	-	-	-	6,286
Other operating and maintenance	-	-	-	1,221
Insurance	17,859	7,625	7,180	27,373
Fees, licenses, and taxes	2,570	18,320	11,688	58,141
Interest expense	5,226	15,264	6,433	79,964
Depreciation	59,247	63,250	106,611	146,208
Total expenses	<u>179,422</u>	<u>215,254</u>	<u>257,459</u>	<u>812,776</u>
Operating net income (loss)	(26,190)	83,958	(96,182)	(74,416)
Non-operating revenue (expense)				
Insurance proceeds - casualty event	-	-	-	-
Repairs expense - casualty event	-	-	-	-
Net income (loss)	<u>\$ (26,190)</u>	<u>\$ 83,958</u>	<u>\$ (96,182)</u>	<u>\$ (74,416)</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, 2022

	<u>Four Oaks</u>	<u>Hazel Court</u>	<u>Stayton Manor</u>	<u>Wallerwood</u>
Revenues				
Rental income, net of vacancies	\$ 223,377	\$ 162,869	\$ 151,205	\$ 223,600
Laundry income	1,305	540	1,383	1,720
Grants and donations	-	-	-	-
Other income	638	12	317	2,836
Interest income	<u>25</u>	<u>15</u>	<u>11</u>	<u>14</u>
Total revenues	<u>225,345</u>	<u>163,436</u>	<u>152,916</u>	<u>228,170</u>
Expenses				
Advertising	1,115	-	-	446
Office	1,465	402	402	694
Property management fees	14,732	10,627	10,250	15,154
Manager rent free unit	-	-	-	-
Accounting and legal	8,209	18,321	7,386	4,799
Telecommunications/phone	4,530	2,985	3,679	5,068
Other administrative	-	-	486	-
Utilities	39,218	29,629	29,048	36,445
Salaries, payroll taxes and benefits	2,077	1,805	1,759	1,733
Contract services - other	206	186	-	208
Contract services - grounds	8,240	4,077	3,627	3,540
Contract services - repairs and maintenance	45,096	8,194	47,169	47,959
Garbage	-	-	-	-
Security service fee	-	-	-	-
Other operating and maintenance	-	-	241	-
Insurance	9,088	6,196	7,033	9,929
Fees, licenses, and taxes	3,352	1,716	1,721	3,417
Interest expense	14,723	6,442	10,306	16,107
Depreciation	<u>49,489</u>	<u>36,680</u>	<u>14,470</u>	<u>23,600</u>
Total expenses	<u>201,540</u>	<u>127,260</u>	<u>137,577</u>	<u>169,099</u>
Operating net income (loss)	23,805	36,176	15,339	59,071
Non-operating revenue (expense)				
Insurance proceeds - casualty event	-	-	-	-
Repairs expense - casualty event	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	<u>\$ 23,805</u>	<u>\$ 36,176</u>	<u>\$ 15,339</u>	<u>\$ 59,071</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, 2022

	Royal Building	Santa Clara
	<u> </u>	<u> </u>
Revenues		
Rental income, net of vacancies	\$ 140,975	\$ 157,640
Laundry income	1,493	2,506
Grants and donations	-	-
Other income	13,731	1,408
Interest income	<u>155</u>	<u>43</u>
Total revenues	<u>156,354</u>	<u>161,597</u>
Expenses		
Advertising	-	-
Office	24,116	635
Property management fees	13,852	17,355
Manager rent free unit	3,595	768
Accounting and legal	9,842	9,179
Telecommunications/phone	7,814	11,700
Other administrative	180	3,296
Utilities	15,021	17,642
Salaries, payroll taxes and benefits	7,931	8,936
Contract services - other	225	1,814
Contract services - grounds	7,530	11,028
Contract services - repairs and maintenance	25,834	84,452
Garbage	-	-
Security service fee	-	455
Other operating and maintenance	-	1
Insurance	15,989	4,762
Fees, licenses, and taxes	2,168	3,645
Interest expense	19,993	14,586
Depreciation	<u>20,412</u>	<u>102,108</u>
Total expenses	<u>174,502</u>	<u>292,362</u>
Operating net income (loss)	(18,148)	(130,765)
Non-operating revenue (expense)		
Insurance proceeds - casualty event	-	-
Repairs expense - casualty event	<u>-</u>	<u>-</u>
Net income (loss)	<u>\$ (18,148)</u>	<u>\$ (130,765)</u>

FOUR OAKS LIMITED PARTNERSHIP
COMPUTATION OF SURPLUS CASH
For the Year Ended September 30, 2022

Cash

Cash on hand	\$ 109,208
Resident security deposits	5,165
Rent receivable	<u>6</u>

Total cash 114,379

Current obligations

Accounts payable	3,094
Accounts payable, affiliate	938
Deferred revenue	642
Tenants' security deposits	<u>5,165</u>

Total current obligations 9,839

Surplus cash

\$ 104,540

FOUR OAKS LIMITED PARTNERSHIP
SCHEDULE OF CASH FLOWS
For the Year Ended September 30, 2022

Cash flows from operating activities	
Net income	\$ 23,805
Noncash items included in net income:	
Depreciation	49,489
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in:	
Prepaid insurance	(7,490)
Accounts receivable	3,789
Increase (decrease) in:	
Deferred revenue	579
Accrued interest	-
Accounts payable	216
Accounts payable, related party	(19,346)
Tenant security deposits liability	<u>1,047</u>
Net cash provided by operating activities	52,089
Cash flows from financing activities	
Payments on notes payable	<u>(16,671)</u>
Net increase in cash and restricted cash	35,418
Cash and restricted cash, beginning of year	<u>219,723</u>
Cash and restricted cash, end of year	<u>\$ 255,141</u>
Supplemental disclosure of cash flow information	
Cash paid for interest	<u>\$ 14,723</u>

HAZEL COURT LIMITED PARTNERSHIP
COMPUTATION OF SURPLUS CASH
For the Year Ended September 30, 2022

Cash

Cash on hand	\$	94,748
Resident security deposits		<u>3,765</u>

Total cash		<u>98,513</u>
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Current obligations

Accounts payable		2,996
Accounts payable, affiliate		638
Deferred revenue		992
Tenants' security deposits		<u>3,765</u>

Total current obligations		<u>8,391</u>
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Surplus cash

	\$	<u><u>90,122</u></u>
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HAZEL COURT LIMITED PARTNERSHIP
SCHEDULE OF CASH FLOWS
For the Year Ended September 30, 2022

Cash flows from operating activities	
Net income	\$ 36,176
Noncash items included in net income:	
Depreciation	36,680
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in:	
Prepaid insurance	(5,112)
Accounts receivable	542
Increase (decrease) in:	
Deferred revenue	113
Accounts payable	(1,322)
Accounts payable, related party	(2,254)
Tenant security deposits liability	<u>249</u>
Net cash provided by operating activities	65,072
 Cash flows from financing activities	
Payments on notes payable	<u>(16,431)</u>
 Net increase in cash and restricted cash	 48,641
Cash and restricted cash, beginning of year	<u>150,021</u>
Cash and restricted cash, end of year	<u><u>\$ 198,662</u></u>
 Supplemental disclosure of cash flow information	
Cash paid for interest	<u><u>\$ 6,442</u></u>

STAYTON MANOR LIMITED PARTNERSHIP
COMPUTATION OF SURPLUS CASH
For the Year Ended September 30, 2022

Cash

Cash on hand	\$ 60,178
Resident security deposits	<u>3,461</u>

Total cash	<u>63,639</u>
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Current obligations

Accounts payable	2,040
Accounts payable, affiliate	805
Deferred revenue	998
Tenants' security deposits	<u>3,461</u>

Total current obligations	<u>7,304</u>
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Surplus cash

	<u><u>\$ 56,335</u></u>
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STAYTON MANOR LIMITED PARTNERSHIP
SCHEDULE OF CASH FLOWS
For the Year Ended September 30, 2022

Cash flows from operating activities	
Net income	\$ 15,339
Noncash items included in net income:	
Depreciation	14,470
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in:	
Prepaid insurance	(5,903)
Accounts receivable	4,740
Increase (decrease) in:	
Deferred revenue	429
Accounts payable	20
Accounts payable, related party	718
Tenant security deposits liability	<u>254</u>
Net cash provided by operating activities	30,067
 Cash flows from financing activities	
Payments on notes payable	<u>(16,055)</u>
 Net increase in cash and restricted cash	 14,012
Cash and restricted cash, beginning of year	<u>120,014</u>
Cash and restricted cash, end of year	<u><u>\$ 134,026</u></u>
 Supplemental disclosure of cash flow information	
Cash paid for interest	<u><u>\$ 10,306</u></u>

WALLERWOOD LIMITED PARTNERSHIP
COMPUTATION OF SURPLUS CASH
For the Year Ended September 30, 2022

Cash

Cash on hand	\$ 16,743
Resident security deposits	5,595
Rent receivable	<u>2,486</u>

Total cash 24,824

Current obligations

Accounts payable	3,629
Accounts payable, affiliate	2,954
Deferred revenue	889
Tenants' security deposits	<u>5,595</u>

Total current obligations 13,067

Surplus cash

\$ 11,757

WALLERWOOD LIMITED PARTNERSHIP
SCHEDULE OF CASH FLOWS
For the Year Ended September 30, 2022

Cash flows from operating activities	
Net income	\$ 59,071
Noncash items included in net income:	
Depreciation	23,600
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in:	
Prepaid insurance	(8,487)
Accounts receivable	6,970
Increase (decrease) in:	
Deferred revenue	361
Accrued interest	(4,000)
Accounts payable	(868)
Accounts payable, related party	(11,182)
Tenant security deposits liability	<u>284</u>
Net cash provided by operating activities	65,749
 Cash flows from financing activities	
Payments on notes payable	<u>(24,854)</u>
 Net increase in cash and restricted cash	40,895
Cash and restricted cash, beginning of year	<u>68,305</u>
Cash and restricted cash, end of year	<u>\$ 109,200</u>
 Supplemental disclosure of cash flow information	
Cash paid for interest	<u>\$ 20,107</u>

SOMMERVILLE APARTMENTS
SCHEDULE OF ASSETS, LIABILITIES, AND OWNER'S EQUITY
September 30, 2022

Assets

Rental property	
Building and improvements	\$ 1,226,056
Accumulated depreciation	<u>(235,632)</u>
	990,424
Land	<u>129,070</u>
Rental property, net	<u>1,119,494</u>
Restricted cash - funded reserves	
Tenant security deposits	18,070
Operating reserve	44,265
Replacement reserve	60,236
Insurance and tax reserve	<u>32,021</u>
Total restricted cash - funded reserves	<u>154,592</u>
Other assets	
Accounts receivable	<u>1,273</u>
Total assets	<u><u>\$ 1,275,359</u></u>

Liabilities and Owner's Equity

Note payable	
Note payable, Network for Oregon Affordable Housing	\$ 527,753
Unamortized deferred financing costs, net of accumulated amortization	<u>(4,844)</u>
Note payable, net of unamortized deferred financing costs	<u>522,909</u>
Other liabilities	
Due to owner	812,339
Tenant security deposits	18,070
Deferred rent	<u>2,267</u>
Total other liabilities	<u>832,676</u>
Total liabilities	1,355,585
Owner's equity (deficit)	<u>(80,226)</u>
Total liabilities and owner's equity	<u><u>\$ 1,275,359</u></u>

SOMMERVILLE APARTMENTS
SCHEDULE OF OPERATIONS AND OWNER'S EQUITY
For the Year Ended September 30, 2022

Revenue	
Net rental income	\$ 205,674
Interest income	4
Other income	<u>5,319</u>
Total revenue	<u>210,997</u>
Operating expenses	
Depreciation	29,694
Insurance	20,825
Interest, including \$375 of amortization of deferred financing costs	11,108
Licenses and fees	18,171
Miscellaneous	84
Professional services	1,570
Repairs and maintenance	42,323
Property management	16,880
Salaries and related payroll taxes and benefits	44,209
Telephone	2,473
Utilities	<u>39,267</u>
Total operating expenses	<u>226,604</u>
Net loss	(15,607)
Owner's equity (deficit), beginning of year	<u>(64,619)</u>
Owner's equity (deficit), end of year	<u>\$ (80,226)</u>

LINN COUNTY AFFORDABLE HOUSING, LLC
 IRONWOOD VILLAGE APARTMENTS
 SCHEDULE OF ASSETS, LIABILITIES, AND MEMBER'S EQUITY
 September 30, 2022

Assets

Current assets

General operating account	\$	11,448
Tax and insurance reserve		20,935
Replacement reserve		65,199
Tenant security deposits		13,856
Accounts receivable (0-30 days), net of allowance of \$-0-		<u>776</u>
 Total current assets		 <u>112,214</u>

Fixed assets

Land		261,206
Building and improvements		<u>1,117,773</u>
		1,378,979
Accumulated depreciation		<u>(503,926)</u>
 Fixed assets, net		 <u>875,053</u>

Total assets

\$ 987,267

Liabilities and Member's Equity

Current liabilities

Accounts payable (0-30 days)	\$	18,091
Unearned revenues		1,584
Tenant security deposits		<u>13,856</u>
 Total current liabilities		 33,531

Notes payable - USDA Rural Development

644,643

Total liabilities 678,174

Member's equity

309,093

Total liabilities and member's equity

\$ 987,267

LINN COUNTY AFFORDABLE HOUSING, LLC
 IRONWOOD VILLAGE APARTMENTS
 SCHEDULE OF REVENUES AND EXPENSES
 For the Year Ended September 30, 2022

Rental income

Tenant rent payments	\$ 111,244
Tenant rental assistance payments	87,143
Total potential rental income	198,387
Vacancies	(13,244)
Total rental income	185,143

Other income

Interest income	21
Laundry and vending	2,025
Tenant charges	709
Other income	2,109
Total other income	4,864
Total income	190,007

Operating expenses

Maintenance and operating:	
Maintenance and repairs	33,208
Payroll	44,605
Payroll taxes and benefits	9,133
Utilities:	
Electricity	4,701
Water	10,281
Sewer	8,852
Garbage and trash removal	4,598
Administrative:	
Site management - manager's rent free unit	7,281
Management fee	18,611
Telephone and internet	4,342
Office supplies	4,242
Training	625
Accounting	1,940
Miscellaneous	855
Taxes and insurance:	
Property and liability insurance	31,212
Other taxes, licenses, and permits	6,277
Total operating expenses	190,763
Income from operations	(756)

LINN COUNTY AFFORDABLE HOUSING, LLC
IRONWOOD VILLAGE APARTMENTS
SCHEDULE OF REVENUES AND EXPENSES, Continued
For the Year Ended September 30, 2022

Non-operating income (expenses)

Interest subsidy income	27,958
Interest expense	(36,790)
Depreciation expense	<u>(33,531)</u>

Total non-operating income (expenses) (42,363)

Net loss \$ (43,119)