

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

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For the Years Ended September 30, 2023 and 2022



ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
For the Years Ended September 30, 2023 and 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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 16, 2024 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.

A handwritten signature in cursive script that reads "Jones & Roth P.C.".

Jones & Roth, P.C.
Eugene, Oregon
February 16, 2024

CONSOLIDATED FINANCIAL STATEMENTS

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2023 and 2022

	2023	2022
Assets		
Current assets		
Unrestricted cash and cash equivalents	\$ 3,520,865	\$ 5,612,212
Restricted cash and cash equivalents (Note 2)	5,596,627	7,906,169
Total cash and cash equivalents	9,117,492	13,518,381
Investment securities, U.S. Treasury bill (restricted)	3,027,310	-
Accounts and grants receivable (Note 3)	1,945,988	2,110,070
Accounts receivable, related parties	398,887	327,822
Current portion of development fee receivable, related parties (Note 9)	-	161,136
Prepaid expenses and deposits	514,997	366,521
Inventory	5,034,053	4,623,305
Current portion of interest receivable, related parties (Note 9)	53,525	55,716
Total current assets	20,092,252	21,162,951
Fixed assets, net (Note 5)	83,591,791	80,812,061
Other assets		
Notes receivable, Rural Housing Rehabilitation Program (RHRP), net (Note 6)	3,245,899	2,977,039
Notes receivable, Self-help Homeownership Opportunity Program (SHOP)	386,484	385,610
Notes receivable, related parties (Note 9)	3,520,409	3,578,360
Long-term portion of interest receivable, related parties, net (Note 9)	55,820	57,032
Long-term portion of development fees receivable, related parties (Note 9)	6,587	150,000
Investments (Note 4)	4,226,533	4,255,096
Operating lease right-of-use assets, net	7,084,449	-
Total other assets	18,526,181	11,403,137
Total assets	\$ 122,210,224	\$ 113,378,149

	<u>2023</u>	<u>2022</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,450,779	\$ 1,522,935
Payroll and related accruals	1,433,988	1,408,590
Security deposits payable	552,083	537,294
Deferred revenue	44,427	93,919
Accrued interest	136,025	136,883
Lines of credit (Note 7)	241,109	-
Current portion of long-term debt (Note 8)	10,581,028	1,619,047
Operating lease liabilities, current portion	<u>1,922,600</u>	<u>-</u>
Total current liabilities	16,362,039	5,318,668
Long-term liabilities		
Long-term debt, net of current portion and unamortized deferred financing costs (Note 8)	34,090,260	42,544,614
Operating lease liabilities, net of current portion	<u>5,239,780</u>	<u>-</u>
Total long-term liabilities	<u>39,330,040</u>	<u>42,544,614</u>
Total liabilities	<u>55,692,079</u>	<u>47,863,282</u>
Net assets		
Without donor restrictions	19,472,875	21,100,534
With donor restrictions (Note 13)	<u>47,045,270</u>	<u>44,414,333</u>
Total net assets	<u>66,518,145</u>	<u>65,514,867</u>
Total liabilities and net assets	<u>\$ 122,210,224</u>	<u>\$ 113,378,149</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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenue and gains			
<i>Support</i>			
Contributions	\$ 407,181	\$ 1,087,693	\$ 1,494,874
Contributions, in-kind goods and services	13,015,232	-	13,015,232
Grants	-	14,322,396	14,322,396
Total support	13,422,413	15,410,089	28,832,502
<i>Revenue and gains</i>			
Retail sales	24,809,065	-	24,809,065
Less value of donated goods sold	(11,867,496)	-	(11,867,496)
Retail sales, net	12,941,569	-	12,941,569
Contract services	5,411,367	-	5,411,367
Management fees and partnership reimbursements	792,439	-	792,439
Rent income, net	7,988,746	-	7,988,746
Interest income on notes receivable	239,514	-	239,514
Gain on investments	17,557	-	17,557
Gain on sale of property	200,093	-	200,093
Other	466,304	-	466,304
Total revenue and gains	28,057,589	-	28,057,589
Net assets released from restrictions	12,779,152	(12,779,152)	-
Total support, revenue and gains	54,259,154	2,630,937	56,890,091
Expenses			
Program services:			
General, manufacturing, retail, warehouses, and recycling	27,781,784	-	27,781,784
Housing	16,454,430	-	16,454,430
Emergency services and shelter assistance	7,169,972	-	7,169,972
Support services:			
Development	368,489	-	368,489
Management and general	4,112,138	-	4,112,138
Total expenses	55,886,813	-	55,886,813
Change in net assets	(1,627,659)	2,630,937	1,003,278
Net assets, beginning of year	21,100,534	44,414,333	65,514,867
Net assets, end of year	\$ 19,472,875	\$ 47,045,270	\$ 66,518,145

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 FUNCTIONAL EXPENSES
For the Year Ended September 30, 2023

	Program Services			Total Program Services	Support Services		Total Expenses
	General, Manufacturing, Retail, Warehouses, and Recycling	Housing	Emergency Services and Shelter Assistance		Development	Management and General	
Payroll	\$ 13,321,023	\$ 4,611,645	\$ 3,909,791	\$ 21,842,459	\$ 272,719	\$ 2,929,978	\$ 25,045,156
Payroll taxes and benefits	2,277,899	752,726	647,245	3,677,870	44,678	493,190	4,215,738
Purchases, freight and handling	1,481,473	-	285	1,481,758	-	-	1,481,758
Utilities	1,179,337	1,672,137	747,265	3,598,739	1,590	133,771	3,734,100
Client assistance	9,328	2,745,934	266,563	3,021,825	-	-	3,021,825
Client assistance, in-kind food	-	-	427,011	427,011	-	-	427,011
Telephone	203,650	129,282	106,468	439,400	3,985	10,343	453,728
Repairs and maintenance	934,875	1,835,614	196,158	2,966,647	-	-	2,966,647
Supplies and office expenses	1,215,647	194,382	379,142	1,789,171	33,395	68,184	1,890,750
Rent	2,747,369	215,743	27,676	2,990,788	-	-	2,990,788
Insurance	654,611	564,619	55,062	1,274,292	-	45,170	1,319,462
Professional services	112,201	204,434	4,893	321,528	-	43,476	365,004
Licenses, taxes, and fees	721,996	435,374	18,791	1,176,161	10,475	237,098	1,423,734
Interest expense	596,742	536,819	11,749	1,145,310	-	122,650	1,267,960
Provision for loan loss and bad debt	27,543	148,822	-	176,365	-	-	176,365
Advertising	137,855	2,756	-	140,611	-	-	140,611
Travel, conferences, and meetings	422,191	72,184	12,635	507,010	-	-	507,010
Vehicles	542,462	76,196	24,566	643,224	-	-	643,224
Special events	-	-	-	-	1,647	-	1,647
Other costs	96,933	178,949	53,814	329,696	-	-	329,696
Contracted services and labor	52,391	-	-	52,391	-	-	52,391
Total functional expenses before depreciation	26,735,526	14,377,616	6,889,114	48,002,256	368,489	4,083,860	52,454,605
Depreciation	1,046,258	2,076,814	280,858	3,403,930	-	28,278	3,432,208
Total functional expenses	\$ 27,781,784	\$ 16,454,430	\$ 7,169,972	\$ 51,406,186	\$ 368,489	\$ 4,112,138	\$ 55,886,813

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			Total Program Services	Support Services		Total Expenses
	General, Manufacturing, Retail, Warehouses, and Recycling	Housing	Emergency Services and Shelter Assistance		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	\$ 25,492,410	\$ 14,291,135	\$ 10,388,246	\$ 50,171,791	\$ 373,880	\$ 3,318,378	\$ 53,864,049

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, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 1,003,278	\$ 2,401,704
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,432,208	2,996,614
Amortization of deferred financing costs	35,518	42,289
Noncash donation of investment interest	-	(967,075)
Net change in allowance for receivables	148,821	77,114
Net gain on disposal of fixed assets	(200,093)	(363,639)
Unrealized (gain) loss on investments	(26,981)	238
Unrealized (gain) loss on unemployment deposit account	9,420	(2,560)
Debt forgiveness	-	(2,410,851)
Amortization of operating lease right-of-use assets	1,896,479	-
(Increase) decrease in:		
Accounts receivable	164,082	43,297
Accounts receivable, related parties	(71,065)	(118,685)
Prepaid expenses and deposits	(157,896)	37,424
Inventory	(410,748)	505,277
Development fee receivable, related parties	304,549	560,144
Interest receivable, related parties	(66,597)	(57,580)
Increase (decrease) in:		
Accounts payable and accrued expenses	(72,156)	606,832
Payroll and related accruals	25,398	305,546
Other liabilities	(35,561)	(203,995)
Operating lease liabilities	(1,818,548)	-
	4,160,108	3,452,094
Net cash provided by operating activities		
Cash flows from investing activities		
Purchase of fixed assets	(6,315,845)	(11,475,371)
Proceeds from sale of fixed assets	304,000	594,000
Purchase of investments	(3,000,000)	(84,435)
Proceeds from sale of investments	28,234	2,535
Proceeds from notes receivable, Rural Rehabilitation	59,459	265,805
Issuance of notes receivable, Rural Rehabilitation	(407,140)	(303,266)
Proceeds from notes receivable, SHOP	1,908	17,026
Issuance of notes receivable, SHOP	(2,782)	(3,280)
Proceeds from notes receivable, related parties	57,951	109,476
Issuance of notes receivable, related parties	-	(70,000)
Proceeds from notes receivable, other	-	30,000
Proceeds from beneficial assets of related organization	-	4,889
	(9,274,215)	(10,912,621)
Net cash used by investing activities		

	<u>2023</u>	<u>2022</u>
Cash flows from financing activities		
Payments on long-term debt	(1,542,943)	(1,739,974)
Proceeds from issuance of long-term debt	2,015,052	9,000,000
Proceeds from line of credit	241,109	-
Payments on line of credit	<u>-</u>	<u>(167,613)</u>
Net cash provided by financing activities	<u>713,218</u>	<u>7,092,413</u>
Net decrease in cash and cash equivalents	(4,400,889)	(368,114)
Cash and cash equivalents, beginning of year	<u>13,518,381</u>	<u>13,886,495</u>
Cash and cash equivalents, end of year	<u>\$ 9,117,492</u>	<u>\$ 13,518,381</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 1,505,350</u>	<u>\$ 1,370,702</u>
Supplemental disclosure of noncash investing transactions		
Total acquisition of property and equipment	\$ 6,315,845	\$ 16,870,164
Noncash assumption of property and equipment	<u>-</u>	<u>(5,394,793)</u>
Total cash paid for property and equipment	<u>\$ 6,315,845</u>	<u>\$ 11,475,371</u>
Total increases (decreases) to investments	\$ (28,563)	\$ (779,624)
Proceeds from sale of investments	28,234	2,535
Unrealized (gain) loss on investments	(26,981)	238
Decrease due to transfer of interest in limited partnership	<u>-</u>	<u>861,286</u>
Net cash paid for purchase of investments	<u>\$ (27,310)</u>	<u>\$ 84,435</u>
Total reduction of notes receivable, related parties	\$ 57,951	\$ 1,922,356
Noncash payment due to transfer of interest in limited partnership	<u>-</u>	<u>(1,812,880)</u>
Total cash received from notes receivable, related parties	<u>\$ 57,951</u>	<u>\$ 109,476</u>
Supplemental disclosure of noncash financing transactions		
Total increase to long-term debt	\$ 2,015,052	\$ 10,333,443
Assumption of long-term debt	<u>-</u>	<u>(1,333,443)</u>
Total cash proceeds from issuance of long-term debt	<u>\$ 2,015,052</u>	<u>\$ 9,000,000</u>
Supplemental disclosure of noncash financing and investing transactions		
Total operating lease right-of-use assets obtained	\$ 8,980,928	\$ -
Less operating lease liabilities	<u>(8,980,928)</u>	<u>-</u>
Cash paid for operating lease right-of-use assets	<u>\$ -</u>	<u>\$ -</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.

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. 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.

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

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

Use of Estimates

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

Recent Accounting Pronouncements

During 2022, the Organization implemented the provisions of FASB Accounting Standards Codification (ASC) Topic 842, *Leases*, using the modified retrospective approach, with October 1, 2022 as the date of initial application. Lease information for the year ended September 30, 2022 is disclosed under ASC Topic 840. The most significant change in the new leasing guidance is the requirement for lessees to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the consolidated statement of financial position. The Organization elected to utilize all of the practical expedients available under the transition guidance within the new standard. Adoption of the new standard had a material impact on the Organization's consolidated statement of financial position, but did not have a material impact on the consolidated statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Adoption of the standard as of October 1, 2022 resulted in an increase in operating lease ROU assets of \$8,842,666, and an increase in operating lease liabilities of \$8,842,666 at the date of adoption. There was no impact to net assets. ASC 842 did not have a significant impact on reporting for leases for which the Organization is the lessor.

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.

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, 2023 and 2022, 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.

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, 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, 2023 and 2022, 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. Items of property and equipment with a cost of \$10,000 or more are capitalized. The estimated useful lives are 30 - 40 years for buildings, 7 - 15 years for improvements, and 5 - 7 years for equipment.

Investments

The Organization holds an investment in a U.S. Treasury bill, which has a readily determinable fair value. The U.S. Treasury bill is short-term with a maturity of less than one year. Unrealized gains and losses are included in gain on investment income and reported as increases or decreases in net assets without donor restriction. Interest income and realized gains and losses are included in investment income and reported as increases or decreases in net assets without donor restriction. There were no restricted investments or restrictions on income from investments for the years ended September 30, 2023 and 2022.

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.

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

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

Investments, continued

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

As of September 30, 2023 and 2022, the Organization was the General Partner for 7 limited partnerships, 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, 2023 and 2022.

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.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Under ASC 842, a contract is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the arrangement are changed. Several of the Organization's leases include one or more options to renew; only lease options that are reasonably certain to be exercised are included in the measurement of the lease assets and liabilities.

The Organization has elected the short-term lease recognition exemption for all classes of underlying assets. Leases with an initial term of 12 months or less that do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Organization has lease agreements with lease and non-lease components, which are generally accounted for as a single lease as permitted under ASC 842. When the implicit rate is not readily determinable for the Organization's leases, management has elected to use the risk-free rate at the commencement date for all classes of underlying assets in determining the present value of lease payments.

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

Income Tax Status

St. Vincent de Paul Society of Lane County, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). The wholly owned subsidiaries of the Organization have various income tax statuses as follows: De Paul RE Services, Inc. and D, Lamb, Inc. – tax-exempt under IRC Section 501(c)(2); De Paul Property Management, LLC and Linn County Affordable Housing Acquisition, LLC - disregarded entities; Marion County Elderly, Inc. – taxable corporation; and 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.

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 11,808 hours and 15,963 hours were donated by unpaid volunteers in 2023 and 2022, 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.

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

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.

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.

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

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.

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.

	2023	2022
Unrestricted cash and cash equivalents	\$ 3,520,865	\$ 5,612,212
Restricted cash and cash equivalents	5,596,627	7,906,169
Total cash and cash equivalents	\$ 9,117,492	\$ 13,518,381

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 \$12,541,929 and \$13,005,095 for the years ended September 30, 2023 and 2022, respectively. Of these deposits, \$4,084,850 and \$4,075,578 were covered by federal depository insurance at September 30, 2023 and 2022, respectively. Balances of \$5,429,769 and \$8,929,517 as of September 30, 2023 and 2022, respectively, were not insured. Additionally, as of September 30, 2023 and 2022, the Organization held \$3,027,310 and \$-0- in U.S. Government treasury bills which are excluded from FDIC coverage, but are backed by the credit of the United States Government.

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:

	2023	2022
Grants receivable	\$ 817,615	\$ 914,180
Contract receivables	521,200	698,137
Other receivables	607,173	497,753
Total accounts and grants receivable	\$ 1,945,988	\$ 2,110,070

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

3. Accounts and Grants Receivable and Concentrations of Credit Risk, continued

As of September 30, 2023 and 2022, approximately 55 percent and 51 percent, of total receivables were due from three and two agencies, respectively. 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>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>

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>2023</u>	<u>2022</u>
Alona Place Limited Partnership	.01%	\$ 100,610	\$ 100,628
Bascom Village Limited Partnership	.01%	1,246,790	1,246,806
Heather Glen Limited Partnership	.01%	(147)	(129)
Iris Place Limited Partnership	.01%	886,594	886,640
Lamb Building Limited Partnership	.10%	1,132,345	1,132,533
Myrtlewood Limited Partnership	.01%	114,570	114,594
Stellar Apartments Limited Partnership	.01%	745,771	745,790
Other investments	100%	<u>-</u>	<u>28,234</u>
Total investments		<u>\$ 4,226,533</u>	<u>\$ 4,255,096</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>2022</u>	<u>2021</u>
Total assets	\$ 53,025,738	\$ 63,214,283
Total liabilities	25,587,852	25,107,395
Net loss for the years ended December 31,	(1,625,577)	(1,461,767)

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

4. Investments, continued

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.

5. Fixed Assets

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

	<u>2023</u>	<u>2022</u>
Land	\$ 27,898,007	\$ 27,774,984
Buildings and improvements	77,178,661	73,290,023
Equipment	5,986,713	5,849,611
Landscaping	64,476	64,474
Construction in progress and assets in development	<u>2,890,055</u>	<u>868,707</u>
	114,017,912	107,847,799
Accumulated depreciation	<u>(30,426,121)</u>	<u>(27,035,738)</u>
Fixed assets, net	<u>\$ 83,591,791</u>	<u>\$ 80,812,061</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 \$203,206 and \$213,322, as of September 30, 2023 and 2022, respectively. All loans are considered to be long-term.

7. Lines of Credit

At September 30, 2023, the Organization has three revolving lines of credit totaling \$2,900,000 with Banner Bank that mature October 2024. Interest is payable monthly based on a variable rate index and is subject to minimum and maximum rate limitations (effective rate of 8.250 and 6.250 percent at September 30, 2023 and 2022). Collateral is provided by accounts receivable, inventory, and equipment.

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

7. Lines of Credit, continued

At September 30, 2023 and 2022, outstanding borrowings on the revolving lines of credit were \$241,109 and \$-0-, respectively, and the amount available on the lines of credit was \$2,658,891 and \$2,900,000, 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, 2023 and 2022.

8. Long-term Debt

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

	2023	2022
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
Note payable, Umpqua Bank, with monthly payments of \$418, including interest at 4.35%, due April 2031, secured by real estate.	33,612	37,064
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.	2,619,305	2,742,965
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.	1,970,785	1,715,826
Note payable, state of Oregon, OECD, with annual payments of \$14,070, including interest at 5.35%, due December 2029, secured by real estate.	925,646	1,047,143
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.	13,536,589	14,067,607
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.	804,172	918,496
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.	8,079,772	8,414,528

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

8. Long-term Debt, continued

	2023	2022
Note payable, city of Portland, no monthly payments, non-interest bearing, due November 2079, secured by real estate.	3,213,319	3,213,319
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.	621,276	644,643
Notes payable, Anita B. Stelling, interest only payments with interest at 3.50% to 4.00%, until the 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.	50,474	116,480
Note payable, KeyBank, with monthly payments of \$3,303, including interest at 5.15%, due September 2028, secured by vehicles, equipment, and real estate.	196,008	224,579
Notes payable, city of Springfield, with monthly payments of \$167 to \$519, non-interest bearing, due at various dates in March 2030 or when underlying property is sold, secured by real estate.	55,065	67,536
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.	48,297	54,508
Note payable, city of Salem, with monthly payments of \$417, non-interest bearing, due January 2034, secured by real estate.	51,388	56,388
Notes payable, Summit Bank, one with monthly payments of \$5,789 including interest at 3.75%, due July 2034; and one with interest only payments at 4.62% through May 2024 and then monthly payments of \$20,069 including interest, due May 2033; secured by real estate and assignment of rents.	2,282,728	663,053
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.	145,205	148,510
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	9,000,000

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

8. Long-term Debt, continued

Note payable, First Interstate Bank, with monthly payments of \$5,181, including interest at 5.97%, due January 2036, secured by real estate.	<u>541,826</u>	<u>570,713</u>
	45,009,467	44,537,358
Unamortized deferred financing costs	(338,179)	(373,697)
Current portion	<u>(10,581,028)</u>	<u>(1,619,047)</u>
Long-term debt, net of current portion and unamortized deferred financing costs	<u>\$ 34,090,260</u>	<u>\$ 42,544,614</u>

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

For the Year Ending September 30,

2024	\$ 10,581,028
2025	1,583,571
2026	3,853,532
2027	1,561,479
2028	7,499,931
Thereafter	<u>19,929,926</u>
Total	<u>\$ 45,009,467</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, 2023 and 2022, 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:

	<u>2023</u>	<u>2022</u>
Iris Place Limited Partnership, total developer fee of \$1,100,000, of which \$1,100,000 had been earned, and \$6,587 was receivable, as of September 30, 2022. Of the total fee, \$950,000 was paid from designated capital proceeds; the remaining \$150,000 is expected to be paid from available cash flow. Receivable does not bear interest per the terms of the agreement.	\$ 6,587	\$ 311,136
Current portion	<u>-</u>	<u>(161,136)</u>
Development fees receivable, related parties, net of current portion	<u>\$ 6,587</u>	<u>\$ 150,000</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:

	2023	2022
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.	\$ 46,554	\$ 86,258
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	700,000
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
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.	645,277	663,524
Notes receivable, related parties	\$ 3,520,409	\$ 3,578,360

Total interest income from these notes was \$106,489 and \$135,240 for the years ended September 30, 2023 and 2022, respectively. Total accrued interest on the notes receivable, net of the allowance, was \$109,345 and \$112,748 for the years ended September 30, 2023 and 2022, respectively. Total accrued interest is reported net of allowance of \$685,829 and \$615,829 for the years ended September 30, 2023 and 2022, 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, 2023 and 2022, there were 7 limited partnerships for which the Organization acted as property manager. Income from property management and reimbursements totaled \$792,439 and \$917,223 for the years ended September 30, 2023 and 2022, respectively.

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

10. Lease Commitments as Lessee

The Organization leases, as lessee, buildings for store operations, the Interfaith Emergency Shelter System, and manufacturing facilities under several operating lease agreements with expiration dates through August 2036.

Operating Leases – ASC 842 for the Year Ended September 30, 2023

Certain of the Organization’s lease agreements include variable payments based on actual future costs to be incurred, such as common area maintenance charges. As these future payments are not determinable at the lease commencement, they are not included in the measurement of the lease asset and liabilities. The Organization’s lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Organization also has several leases that fall under the short-term lease exception and leases that do not meet the criteria for capitalization per the Organization’s policies. Total lease cost is reported with rent on the statement of functional expenses.

Information about the Organization’s leases as of and for the year ended September 30, 2023, is as follows:

Components of lease cost:

Operating lease cost	\$ 2,235,990
Variable operating lease cost	793
Short-term operating lease cost	<u>794,626</u>
Total operating lease cost	<u>\$ 3,031,409</u>

Cash flow information:

Cash paid for amounts included in measurement of lease liabilities:	
Operating cash flows from operating leases	<u>\$ (2,159,874)</u>

Right-of-use lease assets obtained in exchange for lease liabilities:

Operating leases	<u>\$ 8,980,928</u>
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Summary of lease-related assets and liabilities:

Operating lease right-of-use assets	\$ 8,980,928
Accumulated amortization	<u>(1,896,479)</u>
Operating lease right-of-use assets, net	<u>\$ 7,084,449</u>
Current operating lease liabilities	\$ 1,922,600
Noncurrent operating lease liabilities	<u>5,239,780</u>
Total operating lease liabilities	<u>\$ 7,162,380</u>

Weighted-average remaining lease term:

Operating leases	4.7 years
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Weighted-average discount rate:

Operating leases	4.11%
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ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. Lease Commitments as Lessee, continued

Operating Leases – ASC 842 for the Year Ended September 30, 2023, continued

The maturities of lease liabilities as of September 30, 2023, were as follows:

<u>Year Ending September 30,</u>	
2024	\$ 2,173,931
2025	1,862,331
2026	1,218,567
2027	947,367
2028	960,183
Thereafter	<u>794,095</u>
Total lease payments	7,956,474
Less: interest	<u>(794,094)</u>
Present value of lease liabilities	<u>\$ 7,162,380</u>

Operating Leases – ASC 840 for the Year Ended September 30, 2022

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 under FASB ASC 840 (pre-adoption of the new standard) for the year ended September 30, 2022 was \$2,769,932, including \$2,379,958 for all facilities under non-cancelable operating leases.

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, 2023 and 2022, noncash donations were comprised of the following:

	<u>2023</u>	<u>2022</u>
Donated goods - retail and recycling programs	\$ 12,278,244	\$ 11,291,732
Food	427,011	757,843
Other goods	288,977	70,068
Use of facilities	<u>21,000</u>	<u>21,000</u>
Contributions, in-kind	<u>\$ 13,015,232</u>	<u>\$ 12,140,643</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>2023</u>	<u>2022</u>
Emergency services and shelter assistance:		
General	\$ 264,299	\$ 709,511
Buildings and equipment	<u>5,343,080</u>	<u>5,878,386</u>
Total emergency services and shelter assistance	<u>5,607,379</u>	<u>6,587,897</u>
Housing program:		
General	7,061,723	6,388,635
Buildings and equipment	26,233,449	23,819,714
Notes receivable – RHRP	3,245,899	2,977,039
Notes receivable – SHOP	386,484	385,610
Investments in low income housing projects	<u>4,226,533</u>	<u>4,255,096</u>
Total housing program	<u>41,154,088</u>	<u>37,826,094</u>
Other program:		
General – maintenance reserve	<u>283,803</u>	<u>342</u>
Total net assets with donor restrictions	<u>\$ 47,045,270</u>	<u>\$ 44,414,333</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>2023</u>	<u>2022</u>
Cash and reserves	\$ 382,406	\$ 358,222
Accounts receivable	-	-
Prepaid expenses	5,006	4,840
Land, building, and leasehold improvements, net of accumulated depreciation of \$2,306,515 in 2023 and \$2,157,673 in 2022	<u>4,023,630</u>	<u>4,172,471</u>
Total assets	<u>\$ 4,411,042</u>	<u>\$ 4,535,533</u>
Accounts payable and other liabilities	\$ 21,721	\$ 15,077
Net assets	<u>4,389,321</u>	<u>4,520,456</u>
Total liabilities and net assets	<u>\$ 4,411,042</u>	<u>\$ 4,535,533</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>2023</u>	<u>2022</u>
Unrestricted cash and cash equivalents	\$ 3,520,865	5,612,212
Receivables:		
Accounts and grants receivable	1,945,988	2,110,070
Accounts receivable, related parties	398,887	327,822
Current portion of development fee receivable, related parties	-	161,136
Current portion of interest receivable, related parties	<u>53,525</u>	<u>55,716</u>
Financial assets available for general expenditure	<u>\$ 5,919,265</u>	<u>\$ 8,266,956</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. Subsequent Event

Subsequent to year end, the Organization began the process of negotiation a long-term lease with a tenant for a portion of its building on Garfield Street in Eugene, Oregon. The terms of the lease will require an upfront payment of \$4,500,000 to be made to St. Vincent de Paul Society of Lane County, Inc. Those funds will be used to pay off a portion of the \$9,000,000 note payable due to Oregon Community Foundation, which is due May 2024. The remainder of the note payable (\$4,500,000) is expected to be refinanced with an Oregon Facilities Authority (OFA) Bond which is being negotiated with the state of Oregon and Banner Bank.

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, 2023

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>37,662</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	57174	14.218	89,755
Community Development Block Grant/Entitlement Grants	56222, 56223	14.218	84,693
Passed-through city of Portland: Community Development Block Grant/Entitlement Grants	3110285	14.218	3,213,319
Passed-through city of Eugene: Community Development Block Grant/Entitlement Grants	NG 202300216100004	14.218	350,000
Passed-through city of Springfield: Community Development Block Grant/Entitlement Grants	C3292	14.218	<u>165,650</u>
Total CDBG - Entitlement Grants Cluster			3,903,417
Passed-through city of Cottage Grove: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	CG1	14.228	217
Passed-through Lane County: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	HR410	14.228	11
Passed-through city of Florence: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	H21009	14.228	282,212
Passed-through city of Junction City: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	HR805	14.228	350
Passed-through city of Veneta: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	H16013	14.228	134
Passed-through city of Creswell: Community Development Block Grants / State's program and Non-Entitlement Grants in Hawaii	H19011	14.228	4,052
Passed-through Lane County: Emergency Solutions Grant Program	55592, 55833, 57174, 56945	14.231	303,791
Passed-through city of Eugene: Home Investment Partnerships Program	2023-02166	14.239	121,182

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended September 30, 2023

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Contract / Loan Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development, continued			
Direct Awards -			
Continuum of Care Program - Connections	OR003LOE002114, OR003LOE002215	14.267	271,541
Continuum of Care Program - LIFT	OR0009LOE002114, OR0009LOE002215	14.267	320,762
Continuum of Care Program - Vet LIFT	OR0015LOE002114, OR0015LOE002215	14.267	<u>193,424</u>
Total U.S. Department of Housing and Urban Development			<u>5,401,093</u>
U.S. Department of the Treasury			
Passed-through Network for Oregon Affordable Housing:			
Community Development Financial Institutions Program	1003226, 1003233, 1003241, 1003345	21.020	<u>356,795</u>
General Services Administration			
Direct Award - Donation of Federal Surplus Personal Property		39.003	<u>5,033</u>
U.S. Small Business Administration			
Direct Award -			
COVID-19 Disaster Assistance Loans	1998937805	59.008	<u>148,510</u>
U.S. Department of Veterans Affairs			
Direct Award - Veteran Rehabilitation - Alcohol and Drug Dependence	36C26019D0003	64.019	123,453
Direct Award - VA Homeless Providers Grant and Per Diem Program	SSVC786--1505-653-PD-21	64.024	404,596
Direct Award - VA Supportive Services for Veteran Families	18-OR-066	64.033	<u>2,254,081</u>
Total U.S. Department of Veteran Affairs			<u>2,782,130</u>
Total federal awards			<u>\$ 8,731,223</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, 2023

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, 2023. 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, 2023.

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, 2023

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, 2023, 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 Housing and Urban Development: Passed- through city of Eugene	Community Development Block Grant	14.218	350,000
U.S. Department of the Treasury: Passed-through Network for Oregon Affordable Housing	Community Development Financial Institutions Program	21.020	325,268
U.S. Department of the Treasury:	Economic Injury Disaster Disaster Loan	59.008	<u>145,205</u>
			<u>\$ 4,033,792</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, 2023 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 16, 2024.

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 16, 2024

**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, 2023. 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, 2023.

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.

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 16, 2024

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2023

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, 2023.
- 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 Grants/State's Program and Non-entitlement Grants in Hawaii	Assistance Listing # 14.228
U.S. Department of Veteran Affairs VA Support Service for Veteran Families	Assistance Listing # 64.033
- The threshold for distinguishing between Type A and Type B programs was \$750,000.
- The Organization qualified as a low-risk auditee.

Findings – Consolidated Financial Statement Audit

None.

Findings and Questioned Costs – Major Federal Award Programs Audit

None.

ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC. AND SUBSIDIARIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2023

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, 2023

Assets

Current assets

Cash in bank	\$	35,978
Prepaid expenses		52,416
Tenant accounts receivable		<u>10,800</u>

Total current assets		<u>99,194</u>
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Restricted cash - funded reserves

Resident security deposits		50,164
Replacement reserve		<u>32,009</u>

Total restricted cash - funded reserves		<u>82,173</u>
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Rental property

Building and improvements		2,098,071
Furniture and fixtures		7,801
Landscaping		1,827
Construction in process		<u>8,516</u>

Accumulated depreciation		<u>2,116,215</u> <u>(1,584,522)</u>
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Land		<u>531,693</u> <u>412,300</u>
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Rental property, net		<u>943,993</u>
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Total assets		<u>\$ 1,125,360</u>
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Liabilities and Partners' Capital

Current liabilities

Deferred rent revenue	\$ 2,094
Overdraft liability	11,390
Due to General Partner, current portion	<u>51,892</u>
Total current liabilities	<u>65,376</u>

Notes payable

Note payable, State of Oregon Housing and Community Services	925,646
Note payable, city of Eugene	290,954
Unamortized deferred financing costs, net of accumulated amortization	<u>(23,935)</u>
Total notes payable, net of unamortized deferred financing costs	<u>1,192,665</u>

Other liabilities

Due to General Partner, net of current portion	438,983
Resident security deposit liability	<u>50,164</u>
Total other liabilities	<u>489,147</u>

Total liabilities 1,747,188

Partners' capital (deficit) (621,828)

Total liabilities and partners' capital \$ 1,125,360

OAKWOOD MANOR LIMITED PARTNERSHIP
SCHEDULE OF OPERATIONS AND PARTNERS' CAPITAL
For the Year Ended September 30, 2023

Revenue

Net rental income	\$ 495,777
Interest income	21
Laundry fees	5,366
Other income	<u>8,269</u>

Total revenue	<u>509,433</u>
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Operating expenses

Depreciation	140,788
Insurance	46,221
Interest, including \$4,103 of amortization of deferred financing costs	57,004
Licenses, fees and taxes	12,996
Miscellaneous	13,118
Professional services	7,004
Property management	24,867
Repairs and maintenance	118,941
Salaries and related payroll taxes and benefits	74,534
Telecommunications	7,176
Trash removal	20,531
Utilities	<u>55,403</u>

Total operating expenses	<u>578,583</u>
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Net loss	(69,150)
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Partners' capital (deficit), beginning of year	<u>(552,678)</u>
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Partners' capital (deficit), end of year	<u><u>\$ (621,828)</u></u>
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OAKWOOD MANOR LIMITED PARTNERSHIP
SCHEDULE OF CASH FLOWS
For the Year Ended September 30, 2023

Cash flows from operating activities	
Net loss	\$ (69,150)
Noncash items included in net loss:	
Depreciation	140,788
Amortization of deferred financing costs	4,103
Adjustments to reconcile net loss to net cash provided by operating activities:	
(Increase) decrease in:	
Prepaid expenses	(10,516)
Tenant accounts receivable	(1,113)
Increase (decrease) in:	
Deferred rent revenue	(10,005)
Overdraft liability	11,390
Accrued interest	(170)
Due to General Partner	51,892
Resident security deposit liability	<u>762</u>
Net cash provided by operating activities	117,981
Cash flows from investing activities	
Payments for construction in process	(8,516)
Cash flows from financing activities	
Payments on notes payable	<u>(148,440)</u>
Net decrease in cash and restricted cash	(38,975)
Cash and restricted cash, beginning of year	<u>157,126</u>
Cash and restricted cash, end of year	<u><u>\$ 118,151</u></u>
Reconciliation of cash and restricted cash from schedule of cash flows to schedule of assets, liabilities, and partners' capital	
Cash	\$ 35,978
Tenant security deposits	50,164
Replacement reserve	<u>32,009</u>
Total cash and restricted cash as reported on the schedule of assets, liabilities, and partners' capital	<u><u>\$ 118,151</u></u>

OAKWOOD MANOR LIMITED PARTNERSHIP
COMPUTATION OF SURPLUS CASH
For the Year Ended For the Year Ended September 30, 2023

Cash

Cash on hand	\$ 35,978
Resident security deposits	<u>50,164</u>

Total cash	<u>86,142</u>
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Current obligations

Deferred rent revenue (prepaid rents)	2,094
Resident security deposit liability	50,164
Other: Bank overdraft liability	11,390
Other: Due to General Partner, short-term	<u>51,892</u>

Total current obligations	<u>115,540</u>
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Surplus cash (deficiency)	<u><u>\$ (29,398)</u></u>
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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, 2023

	Skinner Butte	Hope Circle	Mac McDonald	Ross Lane
Revenues				
Rental income, net of vacancies	\$ 235,358	\$ 88,491	\$ 147,964	\$ 250,858
Laundry income	372	-	-	4,934
Grants and donations	-	-	-	-
Other income	1,480	200	1,337	5,466
Interest income	-	-	-	-
Total revenues	<u>237,210</u>	<u>88,691</u>	<u>149,301</u>	<u>261,258</u>
Expenses				
Advertising	-	-	-	-
Office	-	-	-	40
Property management fees	18,064	7,064	11,554	20,512
Manager rent free unit	-	-	-	-
Accounting and legal	9,634	2,720	4,628	7,918
Telecommunications/phone	3,073	-	-	6,213
Other administrative	-	-	72	108
Utilities	30,115	224	1,320	34,798
Salaries, payroll taxes and benefits	15,164	15,860	10,929	46,546
Contract services - other	-	-	-	-
Contract services - grounds	16,470	-	23,400	9,600
Contract services - repairs and maintenance	48,621	21,214	28,299	29,956
Garbage	2,797	-	35	12,101
Security service fee	-	-	-	-
Other operating and maintenance	-	-	-	170
Insurance	11,599	9,111	15,641	18,823
Fees, licenses, and taxes	3,207	3,707	1,782	5,141
Interest expense	-	-	5,360	11,071
Bad debt	-	-	-	-
Depreciation	<u>26,934</u>	<u>21,455</u>	<u>69,264</u>	<u>119,073</u>
Total operating expenses	<u>185,678</u>	<u>81,355</u>	<u>172,284</u>	<u>322,070</u>
Operating net income (loss)	51,532	7,336	(22,983)	(60,812)
Non-operating revenue (expense)				
Insurance proceeds - casualty event	-	-	-	-
Repairs expense - casualty event	-	-	-	-
Net income (loss)	<u>\$ 51,532</u>	<u>\$ 7,336</u>	<u>\$ (22,983)</u>	<u>\$ (60,812)</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, 2023

	Blue Belle I	Blue Belle II	Hilyard Terrace	Oak Terrace
Revenues				
Rental income, net of vacancies	\$ 70,873	\$ 21,265	\$ 141,188	\$ 326,267
Laundry income	-	-	1,176	5,843
Grants and donations	-	-	-	-
Other income	-	-	4,246	4,128
Interest income	-	-	112	131
Total revenues	<u>70,873</u>	<u>21,265</u>	<u>146,722</u>	<u>336,369</u>
Expenses				
Advertising	-	-	-	-
Office	-	-	-	200
Property management fees	5,563	1,669	11,395	26,410
Manager rent free unit	-	-	-	7,440
Accounting and legal	2,351	706	4,734	9,724
Telecommunications/phone	-	-	26	3,224
Other administrative	5,370	1,611	-	-
Utilities	2,018	605	11,824	43,112
Salaries, payroll taxes and benefits	13,644	4,094	19,080	74,867
Contract services - other	-	-	40	-
Contract services - grounds	1,346	404	15,568	7,676
Contract services - repairs and maintenance	39,923	11,979	14,895	48,373
Garbage	3,868	1,161	4,089	16,444
Security service fee	-	-	-	-
Other operating and maintenance	-	-	929	597
Insurance	6,853	2,056	14,765	30,722
Fees, licenses, and taxes	13,108	3,933	3,750	29,699
Interest expense	-	-	2,773	10,175
Bad debt	-	-	-	-
Depreciation	<u>25,040</u>	<u>7,513</u>	<u>48,735</u>	<u>66,485</u>
Total expenses	<u>119,084</u>	<u>35,731</u>	<u>152,603</u>	<u>375,148</u>
Operating net income (loss)	(48,211)	(14,466)	(5,881)	(38,779)
Non-operating revenue (expense)				
Insurance proceeds - casualty event	-	-	-	-
Repairs expense - casualty event	-	-	-	-
Net income (loss)	<u>\$ (48,211)</u>	<u>\$ (14,466)</u>	<u>\$ (5,881)</u>	<u>\$ (38,779)</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, 2023

	Stayton Family	Ash Meadows	Spruce Terrace	Aurora Housing
Revenues				
Rental income, net of vacancies	\$ 321,008	\$ 131,793	\$ 246,202	\$ 356,777
Laundry income	1,007	-	5,539	2,931
Grants and donations	-	-	-	-
Other income	7,296	1,906	1,490	1,425
Interest income	22	32	1,229	2,208
	<u>329,333</u>	<u>133,731</u>	<u>254,460</u>	<u>363,341</u>
Expenses				
Advertising	-	-	-	-
Office	8	-	676	23,665
Property management fees	37,574	15,209	33,176	33,596
Manager rent free unit	4,364	-	7,176	2,916
Accounting and legal	13,688	32,826	6,701	11,270
Telecommunications/phone	2,535	-	2,814	5,357
Other administrative	-	-	-	8,444
Utilities	61,807	4,318	42,052	38,425
Salaries, payroll taxes and benefits	129,226	30,476	67,810	60,311
Contract services - other	3,527	308	135	32,061
Contract services - grounds	7,997	7,555	13,691	-
Contract services - repairs and maintenance	110,361	20,360	51,580	52,361
Garbage	24,203	111	19,408	6,641
Security service fee	-	-	-	14,526
Other operating and maintenance	568	2,588	2,775	53,041
Insurance	32,489	11,470	15,026	46,795
Fees, licenses, and taxes	17,646	8,156	11,036	9,757
Interest expense	22,044	-	-	24,090
Bad debt	-	-	-	-
Depreciation	72,365	25,071	55,778	174,566
	<u>540,402</u>	<u>158,448</u>	<u>329,834</u>	<u>597,822</u>
Total expenses				
Operating net income (loss)	(211,069)	(24,717)	(75,374)	(234,481)
Non-operating revenue (expense)				
Insurance proceeds - casualty event	-	-	-	-
Repairs expense - casualty event	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	<u>\$ (211,069)</u>	<u>\$ (24,717)</u>	<u>\$ (75,374)</u>	<u>\$ (234,481)</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, 2023

	Corey Commons	Saginaw	Oak Leaf	Arbor
Revenues				
Rental income, net of vacancies	\$ 133,629	\$ 176,357	\$ 139,760	\$ 668,524
Laundry income	158	971	1,330	-
Grants and donations	-	-	-	-
Other income	1,865	3,118	494	131,305
Interest income	73	-	-	-
Total revenues	<u>135,725</u>	<u>180,446</u>	<u>141,584</u>	<u>799,829</u>
Expenses				
Advertising	-	-	-	-
Office	300	323	294	4,538
Property management fees	13,160	17,790	14,139	58,613
Manager rent free unit	-	-	-	-
Accounting and legal	3,934	28,289	9,207	17,944
Telecommunications/phone	2,814	744	7,679	5,562
Other administrative	-	3,832	858	4,115
Utilities	28,820	6,097	45,944	204,085
Salaries, payroll taxes and benefits	36,624	29,282	3,641	42,247
Contract services - other	240	-	-	-
Contract services - grounds	5,516	18,300	-	10,304
Contract services - repairs and maintenance	36,555	52,840	25,761	162,425
Garbage	6,563	10,857	24,255	123,869
Security service fee	-	-	-	4,849
Other operating and maintenance	3,341	-	-	1,451
Insurance	17,059	7,568	6,960	27,098
Fees, licenses, and taxes	8,098	18,520	9,457	49,114
Interest expense	4,896	14,303	5,278	76,265
Bad debt	-	-	-	-
Depreciation	59,247	62,350	106,611	146,208
Total expenses	<u>227,167</u>	<u>271,095</u>	<u>260,084</u>	<u>938,687</u>
Operating net income (loss)	(91,442)	(90,649)	(118,500)	(138,858)
Non-operating revenue (expense)				
Insurance proceeds - casualty event	-	-	-	-
Repairs expense - casualty event	-	-	-	-
Net income (loss)	<u>\$ (91,442)</u>	<u>\$ (90,649)</u>	<u>\$ (118,500)</u>	<u>\$ (138,858)</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, 2023

	Four Oaks	Hazel Court	Stayton Manor	Wallerwood
Revenues				
Rental income, net of vacancies	\$ 255,605	\$ 160,923	\$ 161,092	\$ 257,033
Laundry income	1,206	674	887	1,349
Grants and donations	-	-	-	-
Other income	497	695	285	520
Interest income	29	18	12	19
Total revenues	<u>257,337</u>	<u>162,310</u>	<u>162,276</u>	<u>258,921</u>
Expenses				
Advertising	773	-	-	773
Office	1,378	-	-	-
Property management fees	16,763	10,630	10,447	16,710
Manager rent free unit	-	-	-	-
Accounting and legal	5,390	3,423	3,423	5,133
Telecommunications/phone	473	523	523	523
Other administrative	-	-	-	-
Utilities	41,694	35,439	33,602	41,708
Salaries, payroll taxes and benefits	51,347	15,990	10,728	17,552
Contract services - other	455	277	-	216
Contract services - grounds	5,925	4,337	4,323	4,343
Contract services - repairs and maintenance	13,525	11,638	11,058	17,862
Garbage	5,190	2,251	2,322	3,839
Security service fee	-	-	-	-
Other operating and maintenance	1,491	1,290	673	709
Insurance	8,741	5,945	6,736	9,632
Fees, licenses, and taxes	2,450	4,213	4,998	2,101
Interest expense	14,216	5,943	9,568	14,965
Bad debt	-	-	-	-
Depreciation	49,490	36,681	14,470	23,600
Total expenses	<u>219,301</u>	<u>138,580</u>	<u>112,871</u>	<u>159,666</u>
Operating net income (loss)	38,036	23,730	49,405	99,255
Non-operating revenue (expense)				
Insurance proceeds - casualty event	-	-	-	-
Repairs expense - casualty event	-	-	-	-
Net income (loss)	<u>\$ 38,036</u>	<u>\$ 23,730</u>	<u>\$ 49,405</u>	<u>\$ 99,255</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, 2023

	Royal Building	Santa Clara
	<u> </u>	<u> </u>
Revenues		
Rental income, net of vacancies	\$ 243,542	\$ 383,349
Laundry income	2,917	5,989
Grants and donations	-	-
Other income	3,513	4,014
Interest income	<u>877</u>	<u>225</u>
Total revenues	<u>250,849</u>	<u>393,577</u>
Expenses		
Advertising	-	-
Office	-	479
Property management fees	24,233	42,589
Manager rent free unit	6,270	5,888
Accounting and legal	6,242	9,712
Telecommunications/phone	6,654	9,684
Other administrative	-	-
Utilities	31,319	56,032
Salaries, payroll taxes and benefits	52,236	116,170
Contract services - other	11,705	2,355
Contract services - grounds	-	8,620
Contract services - repairs and maintenance	37,642	84,788
Garbage	7,284	18,335
Security service fee	-	-
Other operating and maintenance	92	2,358
Insurance	20,637	18,158
Fees, licenses, and taxes	15,718	6,358
Interest expense	31,564	34,860
Bad debt	-	-
Depreciation	<u>34,991</u>	<u>245,060</u>
Total expenses	<u>286,587</u>	<u>661,446</u>
Operating net income (loss)	(35,738)	(267,869)
Non-operating revenue (expense)		
Insurance proceeds - casualty event	-	-
Repairs expense - casualty event	<u>-</u>	<u>-</u>
Net income (loss)	<u>\$ (35,738)</u>	<u>\$ (267,869)</u>

FOUR OAKS LIMITED PARTNERSHIP
COMPUTATION OF SURPLUS CASH
For the Year Ended September 30, 2023

Cash

Cash on hand	\$ 126,658
Resident security deposits	<u>4,726</u>

Total cash	<u>131,384</u>
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Current obligations

Accounts payable	3,805
Accounts payable, affiliate	2,566
Deferred revenue	610
Tenants' security deposits	<u>4,726</u>

Total current obligations	<u>11,707</u>
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Surplus cash

	<u><u>\$ 119,677</u></u>
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FOUR OAKS LIMITED PARTNERSHIP
SCHEDULE OF CASH FLOWS
For the Year Ended September 30, 2023

Cash flows from operating activities	
Net income	\$ 38,036
Noncash items included in net income:	
Depreciation	49,490
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in:	
Prepaid insurance	(1,021)
Accounts receivable	(434)
Increase (decrease) in:	
Deferred revenue	(32)
Accounts payable	712
Accounts payable, related party	(23,372)
Tenant security deposits liability	<u>(439)</u>
Net cash provided by operating activities	62,940
 Cash flows from financing activities	
Payments on notes payable	<u>(17,179)</u>
 Net increase in cash and restricted cash	 45,761
Cash and restricted cash, beginning of year	<u>255,141</u>
Cash and restricted cash, end of year	<u><u>\$ 300,902</u></u>
 Supplemental disclosure of cash flow information	
Cash paid for interest	<u><u>\$ 14,216</u></u>

HAZEL COURT LIMITED PARTNERSHIP
COMPUTATION OF SURPLUS CASH
For the Year Ended September 30, 2023

Cash

Cash on hand	\$ 112,081
Resident security deposits	<u>4,036</u>

Total cash	<u>116,117</u>
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Current obligations

Accounts payable	3,279
Accounts payable, affiliate	1,363
Deferred revenue	998
Tenants' security deposits	<u>4,036</u>

Total current obligations	<u>9,676</u>
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Surplus cash

	<u><u>\$ 106,441</u></u>
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HAZEL COURT LIMITED PARTNERSHIP
SCHEDULE OF CASH FLOWS
For the Year Ended September 30, 2023

Cash flows from operating activities	
Net income	\$ 23,730
Noncash items included in net income:	
Depreciation	36,681
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in:	
Prepaid insurance	(784)
Accounts receivable	(6)
Increase (decrease) in:	
Deferred revenue	6
Accounts payable	283
Accounts payable, related party	725
Tenant security deposits liability	<u>271</u>
Net cash provided by operating activities	60,906
 Cash flows from financing activities	
Payments on notes payable	<u>(16,931)</u>
 Net increase in cash and restricted cash	 43,975
Cash and restricted cash, beginning of year	<u>198,662</u>
Cash and restricted cash, end of year	<u><u>\$ 242,637</u></u>
 Supplemental disclosure of cash flow information	
Cash paid for interest	<u><u>\$ 5,943</u></u>

STAYTON MANOR LIMITED PARTNERSHIP
COMPUTATION OF SURPLUS CASH
For the Year Ended September 30, 2023

Cash

Cash on hand	\$ 81,805
Resident security deposits	<u>3,484</u>

Total cash	<u>85,289</u>
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Current obligations

Accounts payable	4,124
Accounts payable, affiliate	742
Deferred revenue	910
Tenants' security deposits	<u>3,484</u>

Total current obligations	<u>9,260</u>
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Surplus cash

	<u>\$ 76,029</u>
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STAYTON MANOR LIMITED PARTNERSHIP
SCHEDULE OF CASH FLOWS
For the Year Ended September 30, 2023

Cash flows from operating activities	
Net income	\$ 49,405
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	(917)
Accounts receivable	(555)
Increase (decrease) in:	
Deferred revenue	(88)
Accounts payable	2,132
Accounts payable, related party	(63)
Tenant security deposits liability	<u>23</u>
Net cash provided by operating activities	64,407
 Cash flows from financing activities	
Payments on notes payable	<u>(16,793)</u>
 Net increase in cash and restricted cash	 47,614
Cash and restricted cash, beginning of year	<u>134,026</u>
Cash and restricted cash, end of year	<u><u>\$ 181,640</u></u>
 Supplemental disclosure of cash flow information	
Cash paid for interest	<u><u>\$ 9,568</u></u>

WALLERWOOD LIMITED PARTNERSHIP
COMPUTATION OF SURPLUS CASH
For the Year Ended September 30, 2023

Cash

Cash on hand	\$ 59,726
Resident security deposits	<u>5,955</u>

Total cash	<u>65,681</u>
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Current obligations

Accounts payable	6,346
Accounts payable, affiliate	708
Deferred revenue	114
Tenants' security deposits	<u>5,955</u>

Total current obligations	<u>13,123</u>
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Surplus cash

	<u>\$ 52,558</u>
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WALLERWOOD LIMITED PARTNERSHIP
SCHEDULE OF CASH FLOWS
For the Year Ended September 30, 2023

Cash flows from operating activities	
Net income	\$ 99,255
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	(1,158)
Accounts receivable	(430)
Increase (decrease) in:	
Deferred revenue	(775)
Accrued interest	(6,000)
Accounts payable	2,717
Accounts payable, related party	(22,246)
Tenant security deposits liability	<u>360</u>
Net cash provided by operating activities	95,323
 Cash flows from financing activities	
Payments on notes payable	<u>(25,995)</u>
 Net increase in cash and restricted cash	 69,328
Cash and restricted cash, beginning of year	<u>109,200</u>
Cash and restricted cash, end of year	<u>\$ 178,528</u>
 Supplemental disclosure of cash flow information	
Cash paid for interest	<u>\$ 20,965</u>

SOMMERVILLE APARTMENTS
SCHEDULE OF ASSETS, LIABILITIES, AND OWNER'S EQUITY
September 30, 2023

Assets

Rental property	
Building and improvements	\$ 1,226,056
Accumulated depreciation	<u>(265,326)</u>
	960,730
Land	<u>129,070</u>
Rental property, net	<u>1,089,800</u>
Restricted cash - funded reserves	
Tenant security deposits	16,515
Operating reserve	44,448
Replacement reserve	52,855
Insurance and tax reserve	<u>34,501</u>
Total restricted cash - funded reserves	<u>148,319</u>
Other assets	
Accounts receivable	<u>4,984</u>
Total assets	<u><u>\$ 1,243,103</u></u>

Liabilities and Owner's Equity

Note payable	
Note payable, Network for Oregon Affordable Housing	\$ 515,034
Unamortized deferred financing costs, net of accumulated amortization	<u>(4,469)</u>
Note payable, net of unamortized deferred financing costs	<u>510,565</u>
Other liabilities	
Due to owner	821,234
Tenant security deposits	16,515
Deferred rent	<u>639</u>
Total other liabilities	<u>838,388</u>
Total liabilities	1,348,953
Owner's equity (deficit)	<u>(105,850)</u>
Total liabilities and owner's equity	<u><u>\$ 1,243,103</u></u>

SOMMERVILLE APARTMENTS
SCHEDULE OF OPERATIONS AND OWNER'S EQUITY
For the Year Ended September 30, 2023

Revenue

Net rental income	\$ 210,516
Interest income	408
Other income	<u>6,142</u>
 Total revenue	 <u>217,066</u>

Operating expenses

Depreciation	29,694
Insurance	19,921
Interest, including \$375 of amortization of deferred financing costs	10,509
Licenses, fees and taxes	18,971
Miscellaneous	82
Professional services	1,385
Repairs and maintenance	58,134
Property management	17,333
Salaries and related payroll taxes and benefits	41,792
Telecommunications	3,031
Trash removal	13,252
Utilities	<u>28,586</u>
 Total operating expenses	 <u>242,690</u>

Net loss

(25,624)

Owner's equity (deficit), beginning of year

(80,226)

Owner's equity (deficit), end of year

\$ (105,850)

LINN COUNTY AFFORDABLE HOUSING, LLC
 IRONWOOD VILLAGE APARTMENTS
 SCHEDULE OF ASSETS, LIABILITIES, AND MEMBER'S EQUITY
 September 30, 2023

Assets

Current assets

General operating account	\$	2,909
Tax and insurance reserve		14,273
Replacement reserve		65,006
Tenant security deposits		11,201
Accounts receivable (0-30 days), net of allowance of \$-0-		<u>5,845</u>
 Total current assets		 <u>99,234</u>

Fixed assets

Land		261,206
Building and improvements		<u>1,117,773</u>
		1,378,979
Accumulated depreciation		<u>(537,457)</u>
 Fixed assets, net		 <u>841,522</u>

Total assets

\$ 940,756

Liabilities and Member's Equity

Current liabilities

Accounts payable (0-30 days)	\$	26,203
Unearned revenues		470
Tenant security deposits		<u>11,201</u>
 Total current liabilities		 37,874

Notes payable - USDA Rural Development

621,276

Total liabilities 659,150

Member's equity

281,606

Total liabilities and member's equity

\$ 940,756

LINN COUNTY AFFORDABLE HOUSING, LLC
 IRONWOOD VILLAGE APARTMENTS
 SCHEDULE OF REVENUES AND EXPENSES
 For the Year Ended September 30, 2023

Rental income	
Tenant rent payments	\$ 136,796
Tenant rental assistance payments	99,306
Total potential rental income	<u>236,102</u>
Vacancies	<u>(26,334)</u>
Total rental income	<u>209,768</u>
Other income	
Interest income	31
Laundry and vending	1,595
Tenant charges	1,342
Other income	<u>429</u>
Total other income	<u>3,397</u>
Total income	<u>213,165</u>
Operating expenses	
Maintenance and operating:	
Maintenance and repairs	29,016
Payroll	48,436
Payroll taxes and benefits	10,752
Utilities:	
Electricity	6,164
Water	8,763
Sewer	11,205
Garbage and trash removal	7,354
Administrative:	
Site management - manager's rent free unit	9,708
Management fee	18,918
Telephone and internet	3,852
Office supplies	2,778
Training	1,655
Accounting	2,096
Miscellaneous	835
Taxes and insurance:	
Property and liability insurance	30,969
Other taxes, licenses, and permits	<u>7,072</u>
Total operating expenses	<u>199,573</u>
Income from operations	<u>13,592</u>

LINN COUNTY AFFORDABLE HOUSING, LLC
IRONWOOD VILLAGE APARTMENTS
SCHEDULE OF REVENUES AND EXPENSES, Continued
For the Year Ended September 30, 2023

Non-operating income (expenses)

Interest subsidy income	27,955
Interest expense	(35,503)
Depreciation expense	<u>(33,531)</u>

Total non-operating income (expenses) (41,079)

Net loss \$ (27,487)