

**The Society of St. Vincent de Paul  
of Portland, Oregon**

Financial Statements and Other Information  
as of and for the Year Ended September 30, 2008  
and Report of Independent Accountants

THE SOCIETY OF ST. VINCENT DE PAUL OF PORTLAND, OREGON

TABLE OF CONTENTS

---

	Page
Report of Independent Accountants	3
Financial Statements:	
Statement of Financial Position	5
Statement of Activities	6
Statement of Functional Expenses	8
Statement of Cash Flows	10
Notes to Financial Statements	11
Supplementary Financial Information:	
Combining Schedule of Activities	20
Other Information:	
Governing Board and Management	21
Inquiries and Other Information	22

## **REPORT OF INDEPENDENT ACCOUNTANTS**

*The Board of Directors  
The Society of St. Vincent de Paul of Portland, Oregon:*

We have audited the accompanying statement of financial position of The Society of St. Vincent de Paul of Portland, Oregon as of September 30, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of The Society of St. Vincent de Paul of Portland, Oregon's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the financial statements of The Society of St. Vincent de Paul of Portland, Oregon as of September 30, 2007 and, in our report dated January 10, 2008, we expressed a qualified opinion on those financial statements for the circumstances noted below.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Society of St. Vincent de Paul of Portland, Oregon's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

No accounting controls are exercised over the collection of cash receipts by the Society's parish-based conferences prior to the initial entry of such receipts in the accounting records. Accordingly, it was impractical to extend our examination of such receipts beyond the amounts recorded.

In our opinion, except for the effects on the financial statements of such adjustments, if any, as might have been determined to be necessary had the collection of cash receipts referred to above been susceptible to satisfactory audit tests, the 2008 financial statements referred to above present fairly, in all material respects, the financial position of The Society of St. Vincent de Paul of Portland, Oregon as of September 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included on page 20 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, which is also the responsibility of The Society of St. Vincent de Paul of Portland, Oregon's management, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Amy C. Co.", followed by a plus sign and "CO.".

February 18, 2009

THE SOCIETY OF ST. VINCENT DE PAUL OF PORTLAND, OREGON

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2008

(WITH COMPARATIVE AMOUNTS FOR 2007)

	2008	2007
<b>Assets:</b>		
Cash and cash equivalents	\$ 996,417	1,542,105
Investments <i>(note 4)</i>	264,601	-
Accounts receivable <i>(note 5)</i>	43,273	40,039
Contributions receivable <i>(note 6)</i>	183,737	17,534
Inventories	330,363	217,340
Prepaid expenses, deposits and other assets <i>(note 7)</i>	46,353	47,616
Contribution receivable from charitable remainder unitrust <i>(note 8)</i>	116,944	148,652
Land, buildings and equipment <i>(note 9)</i>	2,366,198	2,328,263
<b>Total assets</b>	<b>\$ 4,347,886</b>	<b>4,341,549</b>
<b>Liabilities:</b>		
Accounts payable and accrued expenses	39,050	38,925
Accrued payroll and related expenses	17,606	19,165
Note payable	-	296,248
<b>Total liabilities</b>	<b>56,656</b>	<b>354,338</b>
<b>Net assets:</b>		
Unrestricted:		
Available for programs and general operations	1,049,732	1,203,401
Funds held by conferences <i>(note 10)</i>	544,344	552,882
Net investment in capital assets	2,366,198	2,032,015
<b>Total unrestricted</b>	<b>3,960,274</b>	<b>3,788,298</b>
Temporarily restricted <i>(note 10)</i>	277,219	198,913
Permanently restricted <i>(note 10)</i>	53,737	-
<b>Total net assets</b>	<b>4,291,230</b>	<b>3,987,211</b>
<b>Commitments <i>(notes 13 and 14)</i></b>		
<b>Total liabilities and net assets</b>	<b>\$ 4,347,886</b>	<b>4,341,549</b>

See accompanying notes to financial statements.

THE SOCIETY OF ST. VINCENT DE PAUL OF PORTLAND, OREGON

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2008  
(WITH COMPARATIVE TOTALS FOR 2007)

	2008			Total	2007
	Unrestricted	Temporarily restricted	Permanently restricted		
Operating revenues, gains and other support:					
Contributions and bequests	\$ 1,620,909	280,625	—	1,901,534	2,141,278
In-kind contribution of food	3,648,707	—	—	3,648,707	3,228,802
In-kind contribution of materials	355,304	—	—	355,304	252,734
Investment income	20,220	—	—	20,220	50,719
Contract service fees	84,286	—	—	84,286	228,605
Sales of donated goods	263,420	—	—	263,420	198,216
Special events, net of direct costs of \$7,191 in 2008 and \$11,152 in 2007	12,636	—	—	12,636	12,648
Change in the value of contribution receivable from charitable remainder unitrust	—	(31,708)	—	(31,708)	—
Other	6,385	—	—	6,385	9,134
<b>Total operating revenues and gains</b>	<b>6,011,867</b>	<b>248,917</b>	<b>—</b>	<b>6,260,784</b>	<b>6,122,136</b>
Net assets released from restrictions for operating purposes ( <i>note 11</i> )	122,784	(122,784)	—	—	—
<b>Total operating revenues, gains and other support</b>	<b>6,134,651</b>	<b>126,133</b>	<b>—</b>	<b>6,260,784</b>	<b>6,122,136</b>
Expenses ( <i>note 12</i> ):					
Program services:					
Social services	1,665,658	—	—	1,665,658	1,435,819
Food recovery network	3,767,104	—	—	3,767,104	3,208,851
Vincent's Café	—	—	—	—	27,335
Housing services	—	—	—	—	40,815
Other	—	—	—	—	13,716
<b>Total program services</b>	<b>5,432,762</b>	<b>—</b>	<b>—</b>	<b>5,432,762</b>	<b>4,726,536</b>
Supporting services:					
Management and general	292,343	—	—	292,343	364,727
Fundraising	517,475	—	—	517,475	343,880
<b>Total supporting services</b>	<b>809,818</b>	<b>—</b>	<b>—</b>	<b>809,818</b>	<b>708,607</b>
<b>Total expenses</b>	<b>6,242,580</b>	<b>—</b>	<b>—</b>	<b>6,242,580</b>	<b>5,435,143</b>
Increase (decrease) in net assets before non-operating activities	\$ (107,929)	126,133	—	18,204	686,993

Continued

THE SOCIETY OF ST. VINCENT DE PAUL OF PORTLAND, OREGON

STATEMENT OF ACTIVITIES, CONTINUED

YEAR ENDED SEPTEMBER 30, 2008  
(WITH COMPARATIVE TOTALS FOR 2007)

	2008			Total	2007
	Unrestricted	Temporarily restricted	Permanently restricted		
Non-operating activities:					
Net gain on the sale of capital assets	\$ 232,408	–	–	232,408	1,494,755
Endowment gifts	–	–	53,737	53,737	–
Net decline in the fair value of investments	(330)	–	–	(330)	–
Contribution of charitable remainder unitrust	–	–	–	–	148,652
Net assets released from restrictions for capital purposes ( <i>note 11</i> )	47,827	(47,827)	–	–	–
<b>Total non-operating activities</b>	<b>279,905</b>	<b>(47,827)</b>	<b>53,737</b>	<b>285,815</b>	<b>1,643,407</b>
Increase in net assets	171,976	78,306	53,737	304,019	2,330,400
Net assets at beginning of year	3,788,298	198,913	–	3,987,211	1,656,811
<b>Net assets at end of year</b>	<b>\$ 3,960,274</b>	<b>277,219</b>	<b>53,737</b>	<b>4,291,230</b>	<b>3,987,211</b>

See accompanying notes to financial statements.

THE SOCIETY OF ST. VINCENT DE PAUL OF PORTLAND, OREGON

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2008  
(WITH COMPARATIVE TOTALS FOR 2007)

	2008			2008		
	Program services			Supporting services		
	Social services	Food recovery network	Total	Management and general	Fund-raising	Total
Salaries and related costs	\$ 170,485	145,786	316,271	149,518	52,271	201,789
Direct assistance	1,303,954	—	1,303,954	—	—	—
Professional fees	1,557	3,751	5,308	28,789	75,797	104,586
Supplies and materials	2,055	5,930	7,985	20,773	1,177	21,950
Telephone	915	289	1,204	—	14,519	14,519
Occupancy	—	9,975	9,975	2,362	—	2,362
Interest	—	—	—	2,509	—	2,509
Utilities	8,422	6,909	15,331	5,619	1,509	7,128
Garbage	—	2,880	2,880	273	—	273
Repair and maintenance of property	2,260	15,127	17,387	1,562	3,595	5,157
Printing and publications	178	27	205	1,057	492	1,549
Insurance	—	—	—	44,988	—	44,988
Property taxes	78	667	745	574	181	755
Automobile and other equipment expenses	3,254	12,716	15,970	3,140	6,182	9,322
Conferences, meetings and training	—	—	—	5,816	16	5,832
Travel	228	1,946	2,174	4,770	80	4,850
Advertising	—	—	—	—	100,655	100,655
Postage	510	77	587	1,496	30,786	32,282
Dues and subscriptions	—	2,200	2,200	1,437	1,045	2,482
Bank charges	—	—	—	56	3,838	3,894
Bad debt expense	—	—	—	—	—	—
Other	5,000	—	5,000	79	—	79
Total expenses before depreciation and in-kind contributions	1,498,896	208,280	1,707,176	274,818	292,143	566,961
Depreciation	24,389	36,892	61,281	17,525	—	17,525
In-kind contributions of food	—	3,521,932	3,521,932	—	—	—
In-kind contributions of materials	142,373	—	142,373	—	225,332	225,332
Total expenses	\$ 1,665,658	3,767,104	5,432,762	292,343	517,475	809,818

See accompanying notes to financial statements.

---

Total	2007
518,060	481,056
1,303,954	1,155,004
109,894	94,323
29,935	31,391
15,723	17,379
12,337	1,549
2,509	15,899
22,459	34,197
3,153	5,227
22,544	19,758
1,754	1,273
44,988	49,206
1,500	7,312
25,292	23,412
5,832	6,359
7,024	7,318
100,655	118,314
32,869	23,356
4,682	4,778
3,894	4,089
-	(1,996)
5,079	4,934
2,274,137	2,104,138
78,806	66,809
3,521,932	3,037,065
367,705	227,131
<b>6,242,580</b>	<b>5,435,143</b>

THE SOCIETY OF ST. VINCENT DE PAUL OF PORTLAND, OREGON

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2008  
(WITH COMPARATIVE TOTALS FOR 2007)

	2008	2007
Cash flows from operating activities:		
Cash received from contributors and contractors	\$ 2,159,702	2,557,288
Investment income	20,220	50,719
Cash paid to employees and suppliers	(2,277,589)	(2,085,041)
Interest paid	(2,509)	(15,899)
Net cash provided by (used in) operating activities	(100,176)	507,067
Cash flows from investing activities:		
Net cash proceeds from the sale of capital assets	232,408	2,045,517
Purchase of investments	(264,931)	-
Earnest money deposit applied to the sale of property	-	(100,000)
Capital expenditures	(116,741)	(1,993,835)
Net cash used in investing activities	(149,264)	(48,318)
Cash flows from financing activities:		
Payments made on note payable	(296,248)	(227,433)
Net cash used in financing activities	(296,248)	(227,433)
Increase (decrease) in cash and cash equivalents	(545,688)	231,316
Cash and cash equivalents at beginning of year	1,542,105	1,310,789
Cash and cash equivalents at end of year	\$ 996,417	1,542,105

Supplemental schedule of noncash investing and financing activities

Debt financing of property acquisition	\$ -	300,000
--	------	---------

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2008

---

1. Organization

The Society of St. Vincent de Paul of Portland, Oregon is a nonprofit, charitable Catholic organization of lay persons founded in 1869 which provides volunteer services to the needy and suffering. As a community service agency, the Society is composed of 50 groups of volunteers geographically located, referred to as conferences, who in a combined effort with 1,500 people provide over 200,000 hours of community service.

The Society is affiliated with the Council of the United States and the International Council General, Society of St. Vincent de Paul, Paris, France, an international Catholic organization of lay persons founded in 1833. Under the patronage of St. Vincent de Paul, the Society seeks in a spirit of justice and charity, by a person-to-person involvement of its members, to help individuals and families living in poverty, and to eliminate the causes of poverty.

2. Programs

During the year ended September 30, 2008, the Society incurred program service expenses in the following major areas:

**Social Services** – Programs providing food, clothing, shelter, and other emergency and temporary services to individuals and families in northwest Oregon.

**Food Recovery Network** – The collection of excess food from restaurants, caterers and grocers in order to make it available to nonprofit food service agencies.

3. Summary of Significant Accounting Policies

The significant accounting policies followed by the Society are described below to enhance the usefulness of the financial statements to the reader.

**Basis of Accounting** – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

**Principles of Combining Activities** – The accompanying financial statements include the activities of the Society's conferences, organized neighborhood groups of volunteers, the majority of which are parish-centered, and through which certain of the Society's services are provided. Conferences receive offerings from the general public and expend funds in accordance with the purposes of the Society. The Society issues directives concerning the utilization of conference funds and requires reports of income and expenses annually. The assets, liabilities, income, and expenses of the parishes to which the individual conferences are attached, and from which they take their name, are not reflected in the accompanying financial statements. All significant inter-organizational investments, accounts and transactions have been eliminated.

Basis of Presentation – The Society has adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under these provisions, net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Society and changes therein are classified and reported as follows:

- *Unrestricted net assets* – Net assets not subject to donor-imposed stipulations.
- *Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met either by actions of the agency and/or the passage of time.
- *Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that will be maintained permanently by the Society. Generally, the donors of these assets permit the organization to use all or part of the income earned on related investments for general or specific purposes.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of the Society's management, such differences would not be significant.

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

In-Kind Contributions – The Society receives contributed services from a large number of volunteers who assist in a range of fundraising and program activities. In accordance with SFAS No. 116, the value of such services, which the Society considers not practicable to estimate, has not been recognized in the statement of activities. Significant services received which create or enhance a non-financial asset or require specialized skills that the Society would have purchased if not donated are recognized in the statement of activities.

In-kind contributions of equipment and other materials are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of the Society's activities. Contributions of land, buildings and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire land, buildings and equipment with such donor stipulations are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

During the year ended September 30, 2008, the Society received \$4,004,011 in contributed food and materials, including in-kind donations to conferences totaling \$2,513,866.

Cash Equivalents – For purposes of the financial statements, the Society considers all liquid investments having initial maturities of three months or less to be cash equivalents.

Investments – Investments are reported at market value. Net appreciation (decline) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (decline) of those investments, is shown in the statement of activities. Investment income is accrued as earned, and reported net of investment advisory fees. All security transactions are recorded on a trade date basis.

The organization has some exposure to investment risks, including interest rate, market, and credit risks, for both marketable and non-marketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in the accompanying financial statements.

Capital Assets and Depreciation – Land, buildings and equipment are carried at cost, and at market value when acquired by gift. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which is generally 5 years for furniture and equipment, 5 years for vehicles, and 40 years for buildings and related improvements.

Revenue Recognition – All contributions and grants are considered available for unrestricted use unless specifically restricted by a donor. Service revenues are recognized at the time services are provided and the revenues are earned. Bequests are recorded as revenue at the time the Society has an established right to the bequest and the proceeds are measurable.

Operations – Results from operations in the statement of activities reflects all transactions increasing or decreasing unrestricted net assets except those items of a capital nature associated with long-term investment or physical facilities.

Concentrations of Credit Risk – The Society's financial instruments consist primarily of certificates of deposit, equity securities and cash equivalents. Normally, these instruments could subject the Society to concentrations of credit risk as, from time to time, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC). To address this risk and to provide for full FDIC insurance on its deposits, the Society holds a portion of its funds with the network of banking institutions participating in the Certificate of Deposit Account Registry Service (CDARS) (see note 4). This network guarantees that the Society's deposits are held in increments of less than the standard FDIC insurance maximum to ensure that both principal and interest are eligible for full FDIC insurance. In addition, at September 30, 2008, the Society had arranged with a bank to collateralize other non-FDIC insured deposits in the amount of \$290,000.

On October 3, 2008, President George W. Bush signed the Emergency Economic Stabilization Act of 2008, which temporarily raises the basic limit on federal deposit insurance coverage from \$100,000 to \$250,000 per depositor. The temporary increase became effective immediately upon the President's signature. In addition, on October 14, 2008 the FDIC announced that all non-interest bearing transaction deposit accounts will be fully insured for the entire amount in the deposit account. The basic deposit insurance limit will return to \$100,000 after December 31, 2009.

Certain receivables may also, from time to time, subject the Society to concentrations of credit risk, although receivables are presented net of an allowance for uncollectible accounts and risk is limited due to the large number of customers and donors. Society management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics to minimize its exposure to significant losses from customer and donor insolvencies.

Inventories – Inventories, which consist primarily of donated food and clothing, are carried at the lower of cost or market value. Cost is determined based on poundage, and an average, per-pound value.

Advertising Expenses – Advertising and marketing costs are charged to expense as they are incurred. Advertising and marketing expenses totaled \$100,656 for the year ended September 30, 2008.

Income Taxes – The Society is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law.

In addition, as permitted by FASB Staff Position, FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*, the organization has elected to defer the application of FASB Interpretation No. 48 (“FIN 48”), *Accounting for Uncertainty in Income Taxes*, until the Financial Accounting Standards Board issues additional guidance on FIN 48’s requirements for nonprofit organizations. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*, by prescribing a threshold for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. When adopted, the organization’s estimate of the potential outcome of any uncertain tax issue will be subject to management’s assessment of relevant risks, facts, and circumstances existing at that time, pursuant to the requirements of FIN 48.

Summarized Financial Information for 2007 – The accompanying financial information as of and for the year ended September 30, 2007 is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

#### 4. Investments

Investments, which are carried at market value, consist of the following at September 30, 2008:

CDARS <sup>1</sup>	\$ 260,098
Equity securities	4,492
Cash equivalents	11
	\$ 264,601

<sup>1</sup> Certificate of Deposit Account Registry Service

#### 5. Accounts Receivable

Accounts receivable at September 30, 2008 represents the following:

Advances receivable	\$ 30,000
Commercial receivables	6,219
Contracts receivable	8,054
	44,273
Less allowance for uncollectible accounts	(1,000)
	\$ 43,273

#### 6. Contributions Receivable

Contributions receivable consists of bequests committed to the Society in the amount of \$183,737 expected to be collected in less than one year.

7. Prepaid Expenses, Deposits and Other Assets

At September 30, 2008, the Society held the following prepaid expenses, deposits and other assets:

Prepaid expenses	\$ 28,714
Deposits	684
Other assets <sup>1</sup>	16,955
	<hr/>
	\$ 46,353
	<hr/>

<sup>1</sup> During the year ended September 30, 2006, the Society received three pieces of jewelry as part of a bequest. Two of the items were initially recorded at an estimated value of \$12,025. The third item was not recorded as no appraisal was available. During the year ended September 30, 2007, the Society obtained an appraisal and increased the jewelry to its appraised value of \$16,955. The Society has not obtained a subsequent appraisal.

8. Contribution Receivable from Charitable Remainder Unitrust

The Society has been named a remainder beneficiary of an irrevocable charitable remainder unitrust. The current beneficiaries of the trusts receive a percentage each year of the net fair market value of the assets of the trusts, valued annually. Upon the death of the fourth remaining income beneficiary, the Society will also begin receiving a percentage of the net fair market value of the assets of the trust, which increases with the death of each subsequent beneficiary. Upon the death of the final beneficiary, the Society will receive a final distribution of 45% of the remaining assets of the trust. A contribution receivable of \$116,944 has been recorded at September 30, 2008, representing the actuarially determined present value of the estimated future cash flows that will inure to the Society, using a discount rate of approximately 4%.

9. Land, Buildings and Equipment

A summary of land, buildings and equipment at September 30, 2008 is as follows:

Land	\$ 393,860
Buildings	1,872,288
Furniture and equipment	72,753
Vehicles	94,590
Computer equipment	42,455
Construction in progress	87,371
	<hr/>
	2,563,317
Less accumulated depreciation	(197,119)
	<hr/>
	\$ 2,366,198
	<hr/>

10. Restrictions and Limitations on Net Asset Balances

*Funds held by Conferences*

At September 30, 2008, \$514,344 in cash and \$30,000 in advances receivable was held by the Society's conferences.

*Temporarily Restricted Net Assets*

Temporarily restricted net assets at September 30, 2008 total \$277,219 and consist of contributions, grants, and other unexpended revenues and gains restricted by donors and available only for specific program services and future periods, as follows:

Bequests restricted to programs providing food for the needy	\$ 130,000
Contribution receivable from charitable remainder unitrust	116,944
Mobile kitchen	11,105
Other contributions for future periods	19,170
	\$ 277,219

*Permanently Restricted Net Assets*

During the year ending September 30, 2008, the Society received notification of an endowment contribution totaling \$53,737 that is to be permanently restricted. The income from the corpus may be spent at the Board's discretion. Subsequent to year end, \$40,000 was received with the remaining balance expected within a year.

Effective January 1, 2008, the State of Oregon adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") which replaces the Uniform Management of Institutional Funds Act ("UMIFA"), which has governed Oregon charitable institutions with respect to the management, investment and expenditure of endowment funds since 1975. UPMIFA eliminates the concept of "historic dollar value" from the management of endowment funds required under UMIFA, and instead stresses the prudent management of the endowment fund as a whole, rather than the prudent spending of amounts above historical dollar value as did UMIFA. The Society's management is currently evaluating the new law and the anticipated financial reporting changes.

11. Net Assets Released from Restrictions

During the year ended September 30, 2008, the Society incurred \$170,611 in expenses in satisfaction of the restricted purposes, or by occurrence of other events, specified by donors, as follows:

For operating purposes	\$ 122,784
For capital purposes	47,827
	\$ 170,611

12. Expenses

The costs of providing the various programs and other activities of the Society have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses by natural classification are presented in the statement of functional expenses.

### 13. Lease Commitments

The Society is obligated under an operating lease for equipment that ends in 2009. As of September 30, 2008, lease payments under this lease totaled approximately \$293 per month.

The Society also rents warehouse space to store donated food and goods under an operating lease that ends in 2011. As of September 30, 2008, monthly lease payments totaled approximately \$1,800.

At September 30, 2008, the minimum future lease payments to be made under these leases for each of the next three years and in the aggregate are as follows:

<i>Years ending September 30,</i>	
2009	\$ 21,978
2010	22,633
2011	9,545
	<hr/>
	\$ 54,156

Rent expense totaled \$14,698 for the year ended September 30, 2008.

### 14. Retirement Plan

The Society provides substantially all full-time, and certain part-time, employees with a tax-sheltered annuity plan as described under Section 403(b) of the Internal Revenue Code. The Society's annual contribution is equal to 1.0% of the annual compensation of each eligible participant, up to 50% of the employee's contribution. In order to become eligible for the Society's contribution, a participant must be at least 18 years of age and must complete one year or 1,000 hours of service. All employees may make voluntary contributions to the plan on a pre-tax basis, up to the limits allowed by law, from their first day of employment. Employees select from several investment options. All contributions to the plan from the employer and from employees vest as accrued. Pension expense for the year ended September 30, 2008 totaled \$3,304.

### 15. Related Party Transactions

The Society contracts with the Executive Director's son and daughter-in-law to sell the donations of clothing that the Society receives. For the year ended September 30, 2008, fees totaling \$67,081 were paid to these individuals for services rendered to the Society. These transactions and others are subject to conflict-of-interest policies that have been established by the Society's Board of Directors, whereby Board and committee members, and members of the Society's staff, must advise the Board of Directors of any direct or indirect interest in any transaction or relationship with the Society, and recuse themselves from all Board discussions and decisions regarding any action affecting their individual, professional, or business interests.

### 16. Reclassification of 2007 Comparative Totals

Certain 2007 amounts presented herein have been reclassified to conform to the 2008 presentation.

## 17. Statement of Cash Flows Reconciliation

The following presents a reconciliation of the increase in net assets (as reported on the statement of activities) to net cash used in operating activities (as reported on the statement of cash flows):

Increase in net assets	\$ 304,019
<hr/>	
<i>Adjustments to reconcile increase in net assets to net cash used in operating activities:</i>	
Depreciation	78,806
Net gain on the sale of capital assets	(232,408)
Net decline in the fair value of investments	330
<i>Net changes in:</i>	
Accounts receivable	(3,234)
Contributions receivable	(166,203)
Inventories	(113,023)
Prepaid expenses, deposits, and other assets	1,263
Contribution receivable from charitable remainder unitrust	31,708
Accounts payable and accrued expenses	125
Accrued payroll and related expenses	(1,559)
<hr/>	
Total adjustments	(404,195)
<hr/>	
Net cash used in operating activities	\$ (100,176)
<hr/>	

## 18. New Accounting Standards

The following new accounting standards may affect the Society's financial statements in future years.

- Statement of Financial Accounting Standards No. 157 ("SFAS No. 157"), *Fair Value Measurements*, was issued by the Financial Accounting Standards Board ("FASB") in September of 2006. This standard defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the U.S., and expands disclosures about fair value measurements. The pronouncement applies under other accounting standards that require or permit fair value measurements. Accordingly, this statement does not require any new fair value measurements. The statement is effective for years beginning after November 15, 2007; the organization will be required to adopt SFAS No. 157 during the year ended September 30, 2010. Management is currently evaluating the requirements of SFAS No. 157 and has not yet determined the effect on the organization's financial statements.
- Statement of Financial Accounting Standards No. 159 ("SFAS No. 159"), *The Fair Value Option for Financial Assets and Financial Liabilities*, was issued by the FASB in February of 2007. The statement is effective for years beginning after November 15, 2007; the organization will be required to adopt SFAS No. 159 during the year ended September 30, 2009. This standard permits organizations to choose to measure many financial instruments and certain other items at fair value and report unrealized gains and losses in its measure of operations. Such accounting is optional and is generally to be applied instrument by instrument. Management is currently evaluating the requirements of SFAS No. 159 and has not yet determined the effect on the organization's operations or financial statements.

- FASB Staff Position (“FSP”) No. 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*, was issued in August of 2008. As reported in note 10, the State of Oregon has adopted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) which governs Oregon charitable institutions with respect to the management, investment and expenditure of endowment funds. The guidance in FSP 117-1 is intended to improve the quality and consistency of financial reporting of endowments held by nonprofit organizations, and provides specific guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of UPMIFA. The FSP also requires additional disclosures about endowments (both donor-restricted funds and board-designated funds). The provisions of the FSP are effective for fiscal years ending after December 15, 2008. Both management and the Board of Directors are currently evaluating the requirements of UPMIFA and FSP No. 117-1, and have not yet determined the effect on the organization’s operations or financial statements.



SOCIETY OF ST. VINCENT DE PAUL OF PORTLAND, OREGON

COMBINING SCHEDULE OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2008

	Portland Council	Conferences	Combining elimination entries	Total
Operating revenues, gains and other support:				
Contributions and bequests	\$ 716,294	1,241,631	(56,391)	1,901,534
In-kind contribution of food	1,277,214	2,371,493	-	3,648,707
In-kind contribution of materials	212,931	142,373	-	355,304
Investment income	20,220	-	-	20,220
Contract service fees	84,286	-	-	84,286
Sales of donated goods	271,903	-	(8,483)	263,420
Special events, net of direct costs	12,636	-	-	12,636
Conference-related revenue	12,737	-	(12,737)	-
Change in value of contribution receivable from charitable remainder unitrust	(31,708)	-	-	(31,708)
Other	6,385	-	-	6,385
<b>Total operating revenues, gains and other support</b>	<b>2,582,898</b>	<b>3,755,497</b>	<b>(77,611)</b>	<b>6,260,784</b>
Expenses:				
Program services:				
Social services	323,534	1,392,542	(50,418)	1,665,658
Food recovery network	1,395,611	2,371,493	-	3,767,104
<b>Total program services</b>	<b>1,719,145</b>	<b>3,764,035</b>	<b>(50,418)</b>	<b>5,432,762</b>
Supporting services:				
Management and general	319,536	-	(27,193)	292,343
Fundraising	517,475	-	-	517,475
<b>Total supporting services</b>	<b>837,011</b>	<b>-</b>	<b>(27,193)</b>	<b>809,818</b>
<b>Total expenses</b>	<b>2,556,156</b>	<b>3,764,035</b>	<b>(77,611)</b>	<b>6,242,580</b>
<b>Increase (decrease) in net assets before non-operating activities</b>	<b>26,742</b>	<b>(8,538)</b>	<b>-</b>	<b>18,204</b>
Non-operating activities:				
Endowment gifts	53,737	-	-	53,737
Net decline in the fair value of investments	(330)	-	-	(330)
Net gain on the sale of assets	232,408	-	-	232,408
<b>Total non-operating activities</b>	<b>285,815</b>	<b>-</b>	<b>-</b>	<b>285,815</b>
<b>Increase (decrease) in net assets</b>	<b>312,557</b>	<b>(8,538)</b>	<b>-</b>	<b>304,019</b>
<b>Net assets at beginning of year</b>	<b>3,434,329</b>	<b>552,882</b>	<b>-</b>	<b>3,987,211</b>
<b>Net assets at end of year</b>	<b>\$ 3,746,886</b>	<b>544,344</b>	<b>-</b>	<b>4,291,230</b>

THE SOCIETY OF ST. VINCENT DE PAUL OF PORTLAND, OREGON

GOVERNING BOARD AND MANAGEMENT

---

Board of Directors

John Keith, *President*

Bob Gazewood, *Vice President*

Tom Sciarretta, *Vice President*

Marge Westrup, *Secretary*

Jim Vernon, *Treasurer*

Dennis McNulty

Steve Spitulski

Ralph Vranizan

Georgie Woods

Spiritual Advisor

Father Richard Thompson

Management

Sharon Hills

*Executive Director/Development Director*

Cheryl Hudgens

*Emergency Services*

Jacque Grieve

*Food Recovery Network*

Kathee Kershaw

*Accountant*

Veronica Kennedy

*Conference Liaison*

THE SOCIETY OF ST. VINCENT DE PAUL OF PORTLAND, OREGON

INQUIRIES AND OTHER INFORMATION

---

Administrative Offices  
THE SOCIETY OF ST. VINCENT DE PAUL OF PORTLAND, OREGON  
P.O. Box 42157  
Portland, Oregon 97242

(503) 235-7837  
(503) 233-5581 Fax