

**St. Vincent de Paul Society District
Council of Dayton, Ohio, Inc.
and Affiliates**

Combined Financial Statements

December 31, 2023 and 2022



St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

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Independent Auditor's Report

To the Board of Trustees
St. Vincent de Paul Society District Council
of Dayton, Ohio, Inc. and Affiliates

Opinion

We have audited the accompanying combined financial statements of St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates (a nonprofit organization), which comprise the combined statements of financial position as of December 31, 2023 and 2022, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates as of December 31, 2023 and 2022, and the changes in its net assets and its 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 (GAAS). 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 District Council of Dayton, Ohio, Inc. and Affiliates and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined 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 District Council of Dayton, Ohio, Inc. and Affiliates' ability to continue as a going concern one year after the date that the combined 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 combined 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 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 combined financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 District Council of Dayton, Ohio, Inc. and Affiliates' 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 combined 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 District Council of Dayton, Ohio, Inc. and Affiliates' 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 combined financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or the combined 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 combined financial statements as a whole.

Flagel Huber Flagel

Certified Public Accountants

Dayton, Ohio

May 31, 2024

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates
Combined Statement of Financial Position
December 31, 2023

Assets	Without Donor Restrictions	With Donor Restrictions	Total
Current Assets			
Cash and cash equivalents	\$ 2,874,885	\$ 0	\$ 2,874,885
Cash and cash equivalents - conferences	668,116	0	668,116
Accounts receivable	109,684	0	109,684
Contributions receivable	46,000	0	46,000
Grants receivable	2,057,646	0	2,057,646
Investments	1,797,470	0	1,797,470
Prepaid expenses and other assets	69,037	0	69,037
Total Current Assets	7,622,838	0	7,622,838
Property and Equipment			
Land	1,917,166	0	1,917,166
Buildings and improvements	45,510,457	0	45,510,457
Furniture and fixtures	1,441,626	0	1,441,626
Vehicles	442,916	0	442,916
	49,312,165	0	49,312,165
Less: Accumulated depreciation	(30,811,194)	0	(30,811,194)
Net Property and Equipment	18,500,971	0	18,500,971
Other Assets			
Cash and cash equivalents	0	50,000	50,000
Contributions receivable	0	58,824	58,824
Remainder interest in trust	0	520,585	520,585
Deposits	4,638	0	4,638
Inventory	246,611	0	246,611
Right-of-use lease assets - finance	122,377	0	122,377
Right-of-use lease assets - operating	72,780	0	72,780
Interest rate swap receivable	103,549	0	103,549
Investments	5,245,822	1,209,006	6,454,828
Total Other Assets	5,795,777	1,838,415	7,634,192
Total Assets	\$ 31,919,586	\$ 1,838,415	\$ 33,758,001
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 839,681	\$ 0	\$ 839,681
Accrued expenses	303,900	0	303,900
Rental deposits	8,830	0	8,830
Short-term finance lease liability	51,310	0	51,310
Short-term operating lease liability	24,576	0	24,576
Current portion of long-term debt	1,210,674	0	1,210,674
Total Current Liabilities	2,438,971	0	2,438,971
Long-Term Liabilities			
Long-term finance lease liability	72,598	0	72,598
Long-term operating lease liability	48,204	0	48,204
Long-term debt	2,509,533	0	2,509,533
Unamortized debt issuance costs	(38,093)	0	(38,093)
Total Long-Term Liabilities	2,592,242	0	2,592,242
Net Assets	26,888,373	1,838,415	28,726,788
Total Liabilities and Net Assets	\$ 31,919,586	\$ 1,838,415	\$ 33,758,001

The accompanying notes are an integral part of these combined financial statements.

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates
Combined Statement of Financial Position
December 31, 2022

Assets	Without Donor Restrictions	With Donor Restrictions	Total
Current Assets			
Cash and cash equivalents	\$ 2,570,659	\$ 0	\$ 2,570,659
Cash and cash equivalents - conferences	591,967	0	591,967
Accounts receivable	50,679	0	50,679
Contributions receivable	450,000	0	450,000
Grants receivable	2,134,349	0	2,134,349
Investments	820,250	0	820,250
Prepaid expenses and other assets	126,409	0	126,409
Total Current Assets	6,744,313	0	6,744,313
Property and Equipment			
Land	1,917,166	0	1,917,166
Buildings and improvements	43,210,995	0	43,210,995
Furniture and fixtures	1,322,287	0	1,322,287
Vehicles	360,532	0	360,532
	46,810,980	0	46,810,980
Less: Accumulated depreciation	(29,380,559)	0	(29,380,559)
Net Property and Equipment	17,430,421	0	17,430,421
Other Assets			
Cash and cash equivalents	0	57,500	57,500
Contributions receivable	0	61,243	61,243
Remainder interest in trust	0	501,531	501,531
Deposits	4,638	0	4,638
Inventory	335,860	0	335,860
Right-of-use lease assets - finance	176,289	0	176,289
Right-of-use lease assets - operating	11,235	0	11,235
Interest rate swap receivable	160,677	0	160,677
Investments	4,734,750	1,094,923	5,829,673
Total Other Assets	5,423,449	1,715,197	7,138,646
Total Assets	\$ 29,598,183	\$ 1,715,197	\$ 31,313,380
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$ 535,845	\$ 0	\$ 535,845
Accrued expenses	137,916	0	137,916
Rental deposits	8,369	0	8,369
Short-term finance lease liability	55,413	0	55,413
Short-term operating lease liability	11,235	0	11,235
Current portion of long-term debt	1,172,460	0	1,172,460
Total Current Liabilities	1,921,238	0	1,921,238
Long-Term Liabilities			
Long-term finance lease liability	121,969	0	121,969
Long-term operating lease liability	0	0	0
Long-term debt	3,716,445	0	3,716,445
Unamortized debt issuance costs	(50,122)	0	(50,122)
Total Long-Term Liabilities	3,788,292	0	3,788,292
Net Assets	23,888,653	1,715,197	25,603,850
Total Liabilities and Net Assets	\$ 29,598,183	\$ 1,715,197	\$ 31,313,380

The accompanying notes are an integral part of these combined financial statements.

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates
Combined Statement of Activities
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Sales	\$ 1,146,760	\$ 0	\$ 1,146,760
Contributions	3,412,073	51,696	3,463,769
Contributions - conferences	1,677,635	0	1,677,635
In-kind contributions	1,169,362	0	1,169,362
Grants	9,215,565	0	9,215,565
Fundraising income	343,193	0	343,193
Rental income	4,700,790	0	4,700,790
Interest income	3,582	0	3,582
Investment return, net	471,728	117,675	589,403
Change in fair value of interest rate swap agreement	(57,127)	0	(57,127)
Change in value of remainder interest in trust	0	19,055	19,055
Other income	52,171	0	52,171
Gain on sale of property and equipment	210,229	0	210,229
Net assets released from restrictions	65,208	(65,208)	0
	<u>22,411,169</u>	<u>123,218</u>	<u>22,534,387</u>
Expenses			
Program services	17,243,803	0	17,243,803
Management and general	1,604,857	0	1,604,857
Fundraising	562,789	0	562,789
	<u>19,411,449</u>	<u>0</u>	<u>19,411,449</u>
Change in Net Assets	2,999,720	123,218	3,122,938
Net Assets - beginning of year	<u>23,888,653</u>	<u>1,715,197</u>	<u>25,603,850</u>
Net Assets - end of year	<u>\$ 26,888,373</u>	<u>\$ 1,838,415</u>	<u>\$ 28,726,788</u>

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates
Combined Statement of Activities
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Sales	\$ 857,531	\$ 0	\$ 857,531
Contributions	3,190,693	7,500	3,198,193
Contributions - conferences	1,500,806	0	1,500,806
In-kind contributions	946,746	0	946,746
Grants	7,638,927	0	7,638,927
Fundraising income	347,264	0	347,264
Rental income	4,464,240	0	4,464,240
Interest income	902	0	902
Investment return, net	(267,717)	(210,767)	(478,484)
Change in fair value of interest rate swap agreement	385,887	0	385,887
Change in value of remainder interest in trust	0	(330,289)	(330,289)
Other income	26,118	0	26,118
Net assets released from restrictions	287,734	(287,734)	0
	<u>19,379,131</u>	<u>(821,290)</u>	<u>18,557,841</u>
Expenses			
Program services	16,400,539	0	16,400,539
Management and general	1,155,730	0	1,155,730
Fundraising	478,254	0	478,254
	<u>18,034,523</u>	<u>0</u>	<u>18,034,523</u>
Change in Net Assets	1,344,608	(821,290)	523,318
Net Assets - beginning of year	<u>22,544,045</u>	<u>2,536,487</u>	<u>25,080,532</u>
Net Assets - end of year	<u>\$ 23,888,653</u>	<u>\$ 1,715,197</u>	<u>\$ 25,603,850</u>

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates
Combined Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services			Total	Management and General	Fundraising	Total
	District Council	Charitable Enterprises	Social Services	Program Services			
Cost of sales	\$ 0	\$ 1,220,323	\$ 2,435	\$ 1,222,758	\$ 0	\$ 0	\$ 1,222,758
Salaries and wages	278,042	743,669	4,644,992	5,666,703	968,033	397,876	7,032,612
Payroll taxes	22,773	71,537	441,428	535,738	77,548	31,573	644,859
Employee benefits	23,041	41,321	518,321	582,683	86,329	26,681	695,693
Outside services	73	41,291	632,554	673,918	208,389	0	882,307
Emergency assistance	4,181	324	838,116	842,621	0	0	842,621
Emergency assistance - conferences	1,885,506	0	0	1,885,506	0	0	1,885,506
Other program costs	51,138	180,231	849,683	1,081,052	0	0	1,081,052
Administrative	0	0	0	0	208,803	43,995	252,798
Office supplies and postage	22,234	8,699	80,006	110,939	27,651	11,436	150,026
Insurance	64,968	7,601	48,018	120,587	16,044	0	136,631
Occupancy	636,152	37,853	920,469	1,594,474	6,057	0	1,600,531
Security	293,599	450	432,186	726,235	0	0	726,235
Utilities	137,342	48,037	305,454	490,833	0	0	490,833
Advertising	0	35,464	0	35,464	0	0	35,464
Fundraising	0	0	0	0	2,835	51,228	54,063
Interest	184,490	1,592	6,436	192,518	54	0	192,572
Depreciation	820,787	75,763	688,224	1,584,774	3,114	0	1,587,888
Transfers	2,752	(7,083)	4,331	0	0	0	0
Total before eliminations	<u>4,427,078</u>	<u>2,507,072</u>	<u>10,412,653</u>	<u>17,346,803</u>	<u>1,604,857</u>	<u>562,789</u>	<u>19,514,449</u>
Eliminations	<u>(71,752)</u>	<u>0</u>	<u>(31,248)</u>	<u>(103,000)</u>	<u>0</u>	<u>0</u>	<u>(103,000)</u>
Total	<u>\$ 4,355,326</u>	<u>\$ 2,507,072</u>	<u>\$ 10,381,405</u>	<u>\$ 17,243,803</u>	<u>\$ 1,604,857</u>	<u>\$ 562,789</u>	<u>\$ 19,411,449</u>

The accompanying notes are an integral part of these combined financial statements.

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates
Combined Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program Services			Total	Management and General	Fundraising	Total
	District Council	Charitable Enterprises	Social Services	Program Services			
Cost of sales	\$ 0	\$ 966,516	\$ 1,762	\$ 968,278	\$ 0	\$ 0	\$ 968,278
Salaries and wages	345,095	630,930	4,355,246	5,331,271	614,107	305,257	6,250,635
Payroll taxes	27,561	61,632	380,599	469,792	51,664	23,696	545,152
Employee benefits	36,429	44,260	479,924	560,613	49,797	47,196	657,606
Outside services	7,433	92,026	674,979	774,438	220,654	600	995,692
Emergency assistance	10,975	116	760,961	772,052	0	0	772,052
Emergency assistance - conferences	1,880,470	0	0	1,880,470	0	0	1,880,470
Other program costs	64,257	153,172	737,069	954,498	0	0	954,498
Administrative	0	0	0	0	178,265	44,315	222,580
Office supplies and postage	28,593	5,906	79,938	114,437	23,487	8,802	146,726
Insurance	58,802	6,444	45,268	110,514	14,111	0	124,625
Occupancy	646,502	167,026	733,351	1,546,879	150	0	1,547,029
Security	300,814	5,842	509,646	816,302	0	0	816,302
Utilities	118,302	43,839	326,155	488,296	0	0	488,296
Advertising	0	15,677	26	15,703	0	0	15,703
Fundraising	0	0	0	0	0	48,388	48,388
Interest	232,091	2,093	9,425	243,609	102	0	243,711
Depreciation	846,304	68,250	572,721	1,487,275	3,393	0	1,490,668
Transfers	7,907	(13,489)	5,582	0	0	0	0
Total before eliminations	<u>4,611,535</u>	<u>2,250,240</u>	<u>9,672,652</u>	<u>16,534,427</u>	<u>1,155,730</u>	<u>478,254</u>	<u>18,168,411</u>
Eliminations	<u>(100,263)</u>	<u>0</u>	<u>(33,625)</u>	<u>(133,888)</u>	<u>0</u>	<u>0</u>	<u>(133,888)</u>
Total	<u>\$ 4,511,272</u>	<u>\$ 2,250,240</u>	<u>\$ 9,639,027</u>	<u>\$ 16,400,539</u>	<u>\$ 1,155,730</u>	<u>\$ 478,254</u>	<u>\$ 18,034,523</u>

The accompanying notes are an integral part of these combined financial statements.

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates
Combined Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	\$ 3,122,938	\$ 523,318
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,587,888	1,490,668
Amortization - right of use assets	53,912	53,912
Interest expense - amortization of debt issuance costs	12,029	12,029
Interest expense - lease liabilities	1,935	2,604
Net realized and unrealized gains on investments	(346,462)	568,317
Change in fair value of interest rate swap	57,128	(385,888)
Change in value of remainder interest in trust	(19,054)	330,289
Donation of stock	(56,577)	(51,133)
Donation of property and equipment	(109,654)	0
Gain on sale of property and equipment	(210,229)	0
Noncash rent expense	15,219	13,847
Increase (decrease) in cash due to changes in:		
Accounts and grants receivable	17,698	(730,386)
Contributions receivable	404,000	450,000
Contributions receivable - with donor restrictions	2,419	24,182
Prepaid expenses and other assets	57,372	4,975
Inventory	89,249	(59,259)
Accounts payable	303,836	31,112
Accrued expenses	165,984	(167,486)
Rental deposits	461	1,653
Operating lease liability	(15,219)	(13,847)
Net Cash Provided by Operating Activities	5,134,873	2,098,907
Cash Flows from Investing Activities:		
Purchase of investments	(3,289,259)	(2,132,068)
Proceeds from sale of investments	2,089,923	263,016
Purchase of property and equipment	(2,552,726)	(1,953,015)
Proceeds from sale of property and equipment	214,171	0
Net Cash Used in Investing Activities	(3,537,891)	(3,822,067)
Cash Flows from Financing Activities:		
Payments on long-term debt	(1,168,698)	(1,321,400)
Finance lease liability	(55,409)	(55,423)
Net Cash Used in Financing Activities	(1,224,107)	(1,376,823)
Change in Cash, Cash Equivalents, and Restricted Cash	372,875	(3,099,983)
Cash, Cash Equivalents, and Restricted Cash - beginning of year	3,220,126	6,320,109
Cash, Cash Equivalents, and Restricted Cash - end of year	\$ 3,593,001	\$ 3,220,126

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates
Combined Statements of Cash Flows (Continued)
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 178,608	\$ 229,078
Noncash Investing and Financing Activities		
Acquisition of operating lease right-of-use assets through the assumption of operating lease liabilities	\$ 76,764	\$ 25,082
Acquisition of finance lease right-of-use assets through the assumption of finance lease liabilities	0	230,201

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

1. Organization and Purpose

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc.

The St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. (the Council) was created for the purpose of encouraging and assisting in the organization of parish conferences within the Council's jurisdiction, supporting, integrating, and coordinating all Council activities within the Dayton District, receiving donations of money, stocks, bonds, bequests, endowments and other valuables, establishing and maintaining facilities for the storage and reconditioning of such materials as furniture, clothing, and household items for resale or free distribution to the poor, establishing and maintaining retail stores, and purchasing, renting, leasing and maintaining facilities for the feeding operations for the homeless, poor or those experiencing an unexpected life crisis.

Today, the primary focus of the Council is to assist the homeless and impoverished and empower men, women and families to build a foundation for a secure future including permanent housing. The work of the Council begins with 29 conferences throughout the Miami Valley that focus on assisting those in poverty in their local communities. The conferences are supported by local donations, direct financial assistance from the Council and by the St. Vincent de Paul Thrift Store which provides furniture, clothing and other household goods.

The Council's primary business activity is the operation of a 350,000 square foot building that houses the Montgomery County "One Stop Career Center" (Job Center), which provides onsite-education, training and job placement activities, health and human services, social services, housing services and other forms of public support to eligible members of the general public. Tenants include Montgomery County Jobs and Family Services as well as many other nonprofit organizations.

St. Vincent de Paul Social Services, Inc.

St. Vincent de Paul Social Services, Inc. (Social Services) was created in December 1985 with the stated purpose of providing emergency shelter services to homeless individuals during the period of their unexpected life crisis. This purpose is primarily achieved through the operation of two shelter facilities. The St. Vincent de Paul Gateway Shelter for Women and Families is a 253-bed, 24-hour-a-day shelter for homeless single women and families. The Gettysburg Gateway Shelter for Men is a 258-bed, 24-hour-a-day shelter for homeless single men. Both shelters provide 3 meals a day, laundry services, complete bath and shower facilities, and other basic human needs. The Gateway Shelters are supported primarily through private donor contributions and state and local grants.

In connection with its mission, Social Services also operates four distinct housing programs. A summary of each of the housing programs follows:

The Permanent Supportive Housing program assists up to 25 families with special needs by providing housing with supportive services that include onsite case management.

The St. Vincent de Paul Center provides permanent supportive housing for men at a 39 unit housing facility offering opportunities for empowerment and independence.

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

1. Organization and Purpose (Continued)

The Safe Haven program assists up to 13 chronically homeless men and women with a stated disability including mental illness and is available to those who meet certain program requirements.

In connection with their mission, Social Services also operates the Supportive Services for Veteran Families Program wherein homeless or very low-income veterans and their families are provided with supportive services aimed at assisting in the attainment of permanent housing or the prevention of its loss.

St. Vincent de Paul Charitable Enterprises, Inc.

St. Vincent de Paul Charitable Enterprises, Inc. (Charitable Enterprises) was created in May 1982 with the purpose of operating the St. Vincent de Paul Thrift Store (the Store) and providing donations of clothing, furniture, appliances and household goods to persons or families in need through the St. Vincent de Paul conferences. The Store offers, at nominal cost, household and personal necessities to persons of limited income or thrifty shoppers and thereby meets the operating costs of pickup and delivery, truck and building maintenance, and employment of personnel, and provides a channel for the donations of people who want to assist the needy and suffering. Funds which are over and above operating costs are used for the special charitable works of the Organization.

2. Summary of Significant Accounting Policies

Principles of Combination

The combined financial statements include the accounts of St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. (the Council), St. Vincent de Paul Social Services, Inc. (Social Services), St. Vincent de Paul Charitable Enterprises, Inc. (Charitable Enterprises) and 29 regional St. Vincent de Paul Conferences (collectively, the Organization.) All significant transactions between the entities have been eliminated.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of each class as it pertains to the Organization is as follows:

Net assets without donor restrictions – represents net assets available for use in general operations and not subject to donor restrictions. These include resources designated by the Board of Trustees for special purposes.

Net assets with donor restrictions – represents net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The presentation of 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 amounts reported in the combined financial statements and accompanying notes. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Restricted Cash

For financial statement purposes, the Organization considers all checking accounts and certificates of deposit to be cash equivalents. Restricted cash represents amounts set aside due to donor restrictions.

The Organization may maintain a portion of this cash in commercial bank accounts which, at times, could exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on cash.

Cash, cash equivalents, and restricted cash as of December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Cash	\$ 3,543,001	\$ 3,162,626
Cash – with donor restrictions	<u>50,000</u>	<u>57,500</u>
Total cash, cash equivalents and restricted cash shown in the combined statements of cash flows	<u>\$ 3,593,001</u>	<u>\$ 3,220,126</u>

Accounts Receivable

Accounts receivable represent amounts for rent and other income. The Organization utilizes the allowance method to account for bad debts. In 2023, the Company adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Organization’s financial statements.

The Organization uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for accounts receivable and believes that the composition of receivables at year-end is consistent with historical conditions as credit terms and the customer base has not changed significantly. When receivables are determined to be uncollectible, they are charged off against the allowance. Management deems an account to be uncollectible when all internal collection efforts have been exhausted. Based on this information, management has recorded an allowance for doubtful accounts of \$0 at December 31, 2023 and 2022. There was no bad debt expense with respect to accounts receivable for the years ended December 31, 2023 and 2022.

Contributions Receivable

Contributions receivable represent future distributions to be received from a trust. Contributions receivable are recognized when received at the net present value of the amounts expected to be collected. Amounts expected to be collected after one year are recorded at the present value of their estimated future cash flows. Amortization of the discount for present value is included in revenue on the combined statements of activities.

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Grants Receivable

Grants receivable represent amounts due under reimbursement type grants from government agencies, the revenue from which are considered contributions under FASB Topic 958. Based on management's evaluation of uncollected accounts receivable at the end of each year, bad debts are provided for on the allowance method. At December 31, 2023 and 2022, there was no allowance for uncollectible accounts.

Inventory

The Organization's inventory consists of donated goods for resale at the Store, which are stated at the estimated fair market value at the time of donation, and furniture and other items purchased for sale at the Store, which are valued at the lower of cost or net realizable value using the first-in, first-out method.

Impairment of Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value. No impairment losses were recognized during the years ended December 31, 2023 and 2022.

Property and Equipment

Purchased property and equipment are stated at cost less accumulated depreciation. Donated property and equipment are stated at fair market value at the date of donation less accumulated depreciation. Major expenditures for property and equipment, and those which substantially increase useful lives, are capitalized. Maintenance and repairs expenditures are charged against current revenue. Depreciation is computed primarily on the straight-line method over the following estimated useful lives:

Buildings and improvements	5-30 years
Furniture and fixtures	5-10 years
Vehicles	5-10 years

Debt Issuance Costs

Debt issuance costs are reported as a reduction to the carrying value of the outstanding loan balance. These costs are amortized over the life of the loan using the straight-line method. Amortization of debt issuance costs is included in interest expense in the accompanying combined financial statements.

Lease Commitments

Effective January 1, 2022, the Organization adopted FASB ASC 842, *Leases*, which among other things, requires the recognition of right-of-use lease assets and lease liabilities on the statement of financial position of lessees for finance and operating leases, along with the disclosure of key information about leasing arrangements. All nonprofit organizations with fiscal years beginning after December 15, 2021 were required to adopt this new standard.

In adopting the new lease standard, the Organization elected to use a transition method under which existing leases were measured and capitalized as of the date of adoption, January 1, 2022, in lieu of applying the standard retrospectively to January 1, 2021.

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Lease Commitments (Continued)

Additionally, as part of the implementation, the Organization elected the following practical expedients related to the adoption of this new standard in 2022:

1. The Organization elected the transition method to adopt the new standard at the beginning of the period of adoption through a cumulative-effect adjustment. Under the transition method, the application date shall be the beginning of the reporting period in which the entity first applies the new standard (January 1, 2022).
2. An entity need not reassess whether any expired or existing contracts are or contain leases.
3. An entity need not reassess initial direct costs for any existing leases.

The Organization records lease assets and lease liabilities for all leases with a term of greater than 12 months and determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances.

These leases are then classified as either finance or operating leases. Leases are classified as finance leases when the Organization expects to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, the Organization is not expected to consume a major part of the economic benefits of assets classified as operating leases. The lease classification affects both the pattern and presentation of expense recognized in the income statement, the categorization of assets and liabilities in the balance sheet, and classification of cash flows in the statement of cash flows.

Total lease cost consists of two components; amortization expense related to the write-off of right-of-use assets, and interest expense from lease obligations.

For financing leases, total lease cost is recorded on an accelerated basis whereby interest expense is recorded using the effective interest method and right-of-use assets are amortized on a straight-line basis over the remaining lease term. For operating leases, total lease cost is measured and recorded on a straight-line basis over the lease term.

Lease obligations are measured and recorded at the present value of future lease payments using a discount rate. Because the Organization generally does not have access to the rate implicit in each lease, the Organization has elected to measure its lease obligations using a risk-free rate of return as the discount rate, which is permitted for non-public entities. The Organization elected to use the US Treasury rate at the lease commencement date for the computation of its lease obligation, determined by using a period comparable with that of the lease term.

Right-of-use assets are generally measured and recorded at the sum of the lease obligation, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date.

The Organization has elected the practical expedient to account for lease and non-lease components as a single combined lease component.

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Donated Materials, Facilities and Services

The Organization records contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, in compliance with ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Contributed nonfinancial assets are disaggregated by the category type and other qualitative information about utilization, policies, and valuation techniques. See Note 12.

Donated Services

Donated services are recognized as contributions only if the donated services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation to the Organization. A number of unpaid volunteers have made significant contributions of their time to benefit the Organization's operations and programs. No amounts have been recognized in the Combined Statements of Activities because the criteria for recognition have not been met.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as donor restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restriction when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated Goods

The Organization receives donated goods for resale at the Store. The Organization records donated goods at their estimated fair market value at the time of donation as in-kind gifts and inventory.

Revenue Recognition

The Organization recognizes revenue based on the existence or absence of an exchange transaction.

Revenues from exchange type transactions are recognized as revenue as the Organization satisfies its performance obligations by providing a service or transferring control over a product to its customers. This type of transaction can be recognized at "a point in time" or "over a period of time" depending on various factors.

The Organization recognizes revenue from lease contracts over the life of the lease. Rental payments are due monthly, generally on the first day of each month. Lease agreements range from one to six years. Advance receipts of lease payments are deferred and classified as liabilities until earned. The Organization has rent receivables included in accounts receivable totaling \$18,563 and \$22,071 as of December 31, 2023 and 2022, respectively. The Organization has deferred rent revenue included in accounts payable totaling \$21,599 and \$13,623 as of December 31, 2023 and 2022, respectively.

The Organization recognizes revenue from the sale of merchandise in the thrift store at a point in time (when the goods are sold). There are no formal contracts with customers, the contract is implicit in the exchange of the goods for payment.

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Revenues from non-exchange type transactions, including contributions and reimbursement type grants, which are classified as conditional contributions, are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional contributions are recognized as revenue when the conditions on which they depend are substantially met.

Contributions and support that is restricted by the donor is reported as an increase in net assets without restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

All items of public support and revenue are stated on the accrual basis, including revenues, receivables as reimbursements for incurred costs from government agencies, and other third-party payors.

Functional Expense Allocation

The combined financial statements report certain categories of expenses that are attributed to both program and supporting services. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Organization charges all expenses directly related to the fulfillment of its mission to program services based on direct identification of the costs for each program. Expenses that are not directly related to a single program or activity but are indispensable to the conduct of the Organization's programs or existence are charged to management and general. Expenses relating to activities undertaken to induce contributions are charged to fundraising. Certain administrative costs including salaries and wages, payroll taxes, and employee benefits are allocated on the basis of estimates of personnel time related to each activity.

Advertising

Advertising costs are charged to operations when incurred. Advertising expense for the years ended December 31, 2023 and 2022 was \$35,464 and \$15,703, respectively.

Tax Status

The Council, Social Services, and Charitable Enterprises are nonprofit organizations that are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization determines the recognition of uncertain tax positions, if applicable, that may subject the entities to unrelated business income tax necessary by applying a more-likely-than-not recognition threshold and determines the measurement of uncertain tax positions considering the amounts and probabilities of the outcomes that could be realized upon ultimate settlement with tax authorities. The Organization does not have any materially uncertain tax positions, including any position that would place the Organization's exempt status in jeopardy at December 31, 2023. The Organization believes it is no longer subject to income tax examination for tax years prior to 2020.

Reclassifications

For comparability, certain amounts for the prior year have been reclassified to conform with the current year's presentation.

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

3. Investments

Investments are stated at fair value and consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Common stock	\$ 2,018,175	\$ 1,297,912
Mutual funds	5,813,926	4,992,581
Fixed-income securities	320,276	271,303
Cash equivalents	99,921	88,127
	<u>\$ 8,252,298</u>	<u>\$ 6,649,923</u>

Investment return consists of the following for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 268,038	\$ 113,920
Realized and unrealized gains	346,462	(568,317)
Investment fees	(25,097)	(24,087)
	<u>\$ 589,403</u>	<u>\$ (478,484)</u>

4. Contributions Receivable

The following provides a summary of contributions receivable at December 31:

	<u>2023</u>	<u>2022</u>
Less than one year	\$ 53,311	\$ 456,729
One to five years	30,734	28,288
Greater than five years	36,151	42,762
	<u>120,196</u>	<u>527,779</u>
Less discount	(15,372)	(16,536)
	<u>\$ 104,824</u>	<u>\$ 511,243</u>

The contributions receivable were discounted to present value using the applicable federal rate in effect for the reporting year, which was 5.8% and 5.2% at December 31, 2023 and 2022, respectively.

5. Remainder Interest in Trust

The Organization is the beneficiary of a remainder trust and has the irrevocable right to receive a portion of the net assets of the trust at the end of the trusts' term. The beneficial interest in the trust is recorded at the present value of the expected future cash flows discounted at a rate of 5.8% and 5.2% at December 31, 2023 and 2022, respectively. The total amount of the discount at December 31, 2023 and 2022 was \$358,859 and \$326,895 respectively. The estimated value of the expected future cash flows was \$520,585 and \$501,531 at December 31, 2023 and 2022, respectively, and is included in net assets with donor restrictions.

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

6. Line of Credit

The Organization has a \$500,000 revolving line of credit with PNC Bank which expires in July 2024. The line of credit bears interest at the Daily SOFR plus 2.50% (7.9% and 6.8% at December 31, 2023 and 2022, respectively) and is secured by substantially all of the Organization's assets. As of December 31, 2023 and 2022, the outstanding balance on this line of credit was \$0.

7. Long-Term Debt

Long-term debt consists of the following at December 31:

	<u>2023</u>	<u>2022</u>
Note payable, PNC Bank in connection with a Bond issuance, repayment terms detailed below.	\$ 2,863,945	\$ 3,957,329
Note payable, PNC Bank, interest currently fixed at 3.53%, payable in monthly installments of \$4,015, secured by substantially all of the Organization's assets, due February 2026.	104,043	144,078
Note payable, PNC Bank, interest currently fixed at 3.33%, payable in monthly installments of \$1,352, collateralized by real property, originally due February 2016, refinanced during 2016. Paid in full in March 2023.	0	4,003
Note payable, PNC Bank, variable rate note, payable in varying amounts through maturity, interest rate fixed at 4.68% using an interest rate swap agreement expiring in October 2039, collateralized by substantially all real property, due July 2026.	<u>752,219</u>	<u>783,495</u>
Total	3,720,207	4,888,905
Less: current portion	<u>(1,210,674)</u>	<u>(1,172,460)</u>
Total long-term debt	<u>\$ 2,509,533</u>	<u>\$ 3,716,445</u>

Maturities of long-term debt for each of the three years succeeding December 31, 2023 are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 1,210,674
2025	1,252,967
2026	<u>1,256,566</u>
	<u>\$ 3,720,207</u>

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

7. Long-Term Debt (Continued)

During October 2015, the Organization entered into a bond purchase agreement to fund the cost of certain improvements to the Job Center. In connection with this agreement, the Dayton-Montgomery County Port Authority issued an Economic Development Revenue Bond, Series 2015 (St. Vincent de Paul Project) in the principal amount of \$10,500,000 and loaned the proceeds to the Organization. Pursuant to the bond purchase agreement, PNC Bank purchased the bond and became the servicing agent. As a result, the Port Authority assigned the loan to PNC Bank. As security for the loan agreement, the Organization executed an open-end mortgage note payable and security agreement with PNC Bank.

The Organization makes monthly payments of \$103,324 on the note, which includes principal and interest. The Organization also entered into an interest rate swap agreement with PNC Bank to essentially fix the interest rate on the debt at 3.9%. The note matures in February 2027.

In connection with the note payable agreement, the Organization agreed to maintain certain financial covenants including a debt service coverage ratio and days cash on hand minimum. At December 31, 2023 and 2022, the Organization was in compliance with these financial covenants.

8. Interest Rate Swap Agreement

The Organization entered into interest rate swap agreements (contracts) with PNC on certain notes payable.

The contracts effectively fix the interest rates on the following notes at various amounts as detailed below.

<u>Effective Date</u>	<u>Notional Amount</u>		<u>Effective Fixed Rate</u>	<u>Swap Variable Rate</u>	
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>
February 2017	\$ 2,863,945	\$ 3,957,329	3.90%	6.26%	5.23%
October 2019	752,219	783,495	4.68%	7.25%	6.06%

The Organization's purpose in entering into these contracts was to hedge against the risk of interest rate increases on the related variable rate debt. The contracts were issued at market terms, so they had no fair value at inception. The carrying amounts of the contracts have been adjusted to their fair value at the end of the year, which because of changes in forecasted levels of the variable rate resulted in reporting an asset as of December 31, 2023 and 2022 for the fair value of the potential future net payments under the contracts. The asset is classified as noncurrent on the combined statements of financial position since management does not intend to settle the contracts within the next year. The change in fair value is recorded as a gain or loss on the combined statements of activities. The balance of the interest rate swap asset at December 31, 2023 and 2022 was \$103,549 and \$160,677, respectively.

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

9. Board Designated Net Assets

The Organization's governing board has designated the following amounts from net assets as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Future projected capital needs	\$ 1,129,256	\$ 897,000
Operating reserve	<u>4,116,566</u>	<u>3,837,750</u>
	<u>\$ 5,245,822</u>	<u>\$ 4,734,750</u>

10. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Social Services program activities:		
Building improvements	\$ 0	\$ 7,500
District Council program activities:		
Conferences and DDC	<u>12,132</u>	<u>7,591</u>
	<u>12,132</u>	<u>15,091</u>
Subject to the passage of time:		
For periods after December 31	<u>58,824</u>	<u>61,243</u>
Subject to the Organization's spending policy and appropriation:		
Investment of donor-restricted funds (including \$50,000 held in perpetuity and invested in a certificate of deposit and included in cash and cash equivalents), which, once appropriated, is expendable to support:		
Any activities of the organization	<u>1,246,874</u>	<u>1,137,332</u>
Subject to appropriation and expenditure when a specific event occurs:		
Remainder interest in a trust which becomes available upon the death of the remaining living beneficiary	<u>520,585</u>	<u>501,531</u>
Total net assets with donor restrictions	<u>\$ 1,838,415</u>	<u>\$ 1,715,197</u>

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

10. Net Assets With Donor Restrictions (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time specified by donors as follows:

	<u>2023</u>	<u>2022</u>
Purpose restrictions accomplished:		
Financial literacy	\$ 0	\$ 24,901
Tutoring	0	935
Systemic change	0	4,068
Building improvements	7,500	0
Conferences and DDC	7,591	9,948
	<u>15,091</u>	<u>39,852</u>
Time restrictions expired:		
Passage of specified time	<u>50,117</u>	<u>247,882</u>
Total restrictions released	<u>\$ 65,208</u>	<u>\$ 287,734</u>

11. Liquidity and Availability

The following reflects the Organization's financial assets reduced by amounts not available for general use because of contractual or donor-imposed restrictions, or board designations, within one year of December 31, 2023.

Cash and cash equivalents	\$ 3,593,001
Accounts and grants receivable	2,167,330
Contributions receivable	104,824
Remainder interest in trust	520,585
Investments	<u>8,252,298</u>
Total financial assets at December 31, 2023	14,638,038
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	(1,838,415)
Board designations:	
Future projected capital needs and operating reserve	(5,245,821)
Contractual obligation:	
Debt covenant requirement of 100 days cash on hand	<u>(3,845,193)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,708,609</u>

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

11. Liquidity and Availability (Continued)

The Organization is substantially supported by grants and contributions, which may contain donor restrictions. Because donor restrictions require resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet these restrictions. Consequently, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management policies, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. It is the policy of the Organization to regularly review and assess the need for funds to meet operating obligations and to ensure the availability of cash or collateral to fulfill those requirements. The Board designated net assets may be drawn upon in the event of financial distress. In the event of an unanticipated liquidity need, the Organization could also draw upon their available line of credit, as further discussed in Note 6.

12. Contributed Nonfinancial Assets

The Organization's donated goods consisted of the following as of December 31:

	<u>2023</u>	<u>2022</u>	<u>Usage</u>
Home goods/furniture/clothing	\$ 1,059,708	\$ 946,746	Thrift Store resale
Vehicle	14,174	0	Shelter operations
Vehicle	22,080	0	Shelter operations
Real property	73,400	0	Shelter missionaries housing
Total	<u>\$ 1,169,362</u>	<u>\$ 946,746</u>	

Donated property and goods for resale at the Thrift Store are recorded as contributions at their estimated fair market value, where objectively measurable, at the date of donation. The estimates of fair value are based on wholesale values that would be received for selling similar products in the United States.

Donated vehicles and real property are valued at estimated fair value at the time of donation based on the fair market value for sales of similar assets in similar geographic regions.

13. Lease Commitments

Leases as Lessor

The Organization leases office space in the Job Center to Montgomery County, Ohio and nonprofit organizations under lease agreements that expire through 2026. Some leases may be extended for a set period of time with written notification from the lessee prior to the termination of the lease. The leases do not include variable payments or options to terminate prior to the end of the lease term. Rental revenue from these leases are reported in the statement of activities. Lease receivables as of December 31, 2023 and 2022 were \$19,194 and \$22,071, respectively. The Organization also leases space in the Job Center to tenants on a month-to-month basis.

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

13. Lease Commitments (Continued)

Leases as Lessor (Continued)

Minimum future rentals to be received under non-cancelable operating leases as of December 31, 2023 for each of the next three years are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 4,625,230
2025	4,108,698
2026	1,657,444
	<u>\$ 10,391,372</u>

Leases as Lessee

The Organization's leases consist of equipment leases used in the operations of its business with lease terms ranging from two to seven years and annual lease payments totaling approximately \$69,000 with various maturities through 2027. There are no renewal options for any of the leases and the lease agreements do not include any material residual value guarantees or restrictive covenants.

In addition, the Organization leases program space on a month-to-month basis. In 2022 and 2023, short-term lease expense related to this space was \$20,004 each year. Lease expense for other leases which expired in 2022 or did not meet the capitalization threshold and were deemed short-term for purposes of adopting the new lease standard, totaled \$16,128 and \$36,200, respectively. These leases will not continue as short-term leases in the future.

The components of finance and operating lease expenses that are included in general and administrative expenses in the statement of activities for the year ended December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Finance lease expense		
Amortization of right of use assets	\$ 53,912	\$ 53,912
Interest on lease liabilities	1,935	2,604
Operating lease cost	15,833	13,984
Short-term lease cost	36,132	56,204
Total lease cost	<u>\$ 107,812</u>	<u>\$ 126,704</u>

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

13. Lease Commitments (Continued)

Leases as Lessee (Continued)

The following summarizes the cash flow, weighted average lease term, and discount rate information related to operating leases for the year ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases (i.e. interest)	\$ 1,991	\$ 2,413
Financing cash flows from finance leases (i.e. principal portion)	53,390	52,968
Operating cash flows from operating leases	15,833	13,984
Noncash transactions:		
Right of use assets obtained in exchange for new finance lease liabilities	\$ 0	\$ 230,201
Right of use assets obtained in exchange for new operating lease liabilities	76,764	25,082
Weighted-average remaining lease term in years:		
Finance leases	2.70	3.57
Operating leases	2.83	0.81
Weighted-average discount rate:		
Finance leases	1.31%	1.30%
Operating leases	4.76%	0.78%

A summary of the future lease payments for operating and finance leases, reconciled to the lease liability recorded at December 31, 2023 follows:

<u>Year</u>	<u>Finance</u>	<u>Operating</u>
2024	\$ 52,643	\$ 27,400
2025	42,711	27,400
2026	23,282	22,834
2027	7,449	0
Total future lease payments	126,085	77,634
Less: present value discount	(2,177)	(4,854)
Total lease liabilities	123,908	72,780
Less current portion	(51,310)	(24,576)
Long-term lease liability	<u>\$ 72,598</u>	<u>\$ 48,204</u>

14. Fair Value Measurements

The Organization applies accounting principles generally accepted in the United States of America (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the price that would be received for an asset or paid to transfer a liability, in the principal or most advantageous market for the asset or liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs.

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

14. Fair Value Measurements (Continued)

The three levels of inputs used to measure fair value as follows:

- Level 1 - Observable inputs such as quoted prices in active markets;
- Level 2 - Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3 - Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The following is a description of the valuation methodologies the Organization used for assets and liabilities measured on a recurring basis at fair value. There have been no changes from the prior year in the methodologies used at December 31, 2023. Significant transfers between fair value levels are determined at the end of the reporting period. There were no significant transfers in 2023 and 2022.

Investments: Equity securities, fixed income securities and mutual funds are valued using quoted market prices, net asset values per share and other relevant information generated by market transactions.

Interest rate derivative asset/liability: The fair value of this over-the-counter derivative was determined using a discounted cash flow model based on the terms of the contracts. The most significant input to this model is implied forward variable rate benchmarks.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair values of assets measured on a recurring basis at December 31, 2023 were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Value</u>
Assets:			
Investments	\$ 8,252,298	\$ 0	\$ 8,252,298
Remainder interest in trust	0	520,585	520,585
Interest rate swap derivative	0	103,549	103,549
	<u>\$ 8,252,298</u>	<u>\$ 624,134</u>	<u>\$ 8,876,432</u>

Fair value of assets measured on a recurring basis at December 31, 2022 were as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Value</u>
Assets:			
Investments	\$ 6,649,923	\$ 0	\$ 6,649,923
Remainder interest in trust	0	501,531	501,531
Interest rate swap derivative	0	160,677	160,677
	<u>\$ 6,649,923</u>	<u>\$ 662,208</u>	<u>\$ 7,312,131</u>

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

15. Endowment Funds

The Organization's endowment consists of three donor-restricted, individual funds established to provide support to the Organization. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Trustees appropriates such amounts for expenditure. The Board of Trustees of the Organization has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gifts donated to the fund to be held in perpetuity, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted SPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. Additionally, in accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) the duration and preservation of the various funds,
- (2) the purposes of the donor-restricted endowment funds,
- (3) general economic conditions,
- (4) the possible effect of inflation and deflation,
- (5) the expected total return from income and the appreciation of investments,
- (6) other resources of the Organization, and
- (7) the Organization's investment policies

Endowment net asset composition by type of fund is as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Donor-restricted endowment funds:		
Original donor-restricted gift amount required to be maintained in perpetuity by donor	\$ 50,000	\$ 50,000
Fair value of donor-restricted gift amount subject to time restrictions	<u>1,209,006</u>	<u>1,094,923</u>
Total funds	<u>\$ 1,259,006</u>	<u>\$ 1,144,923</u>

Changes in endowment net assets for the years ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Endowment net assets, beginning of year	\$ 1,144,923	\$ 1,586,938
Contributions	51,696	0
Investment return, net	117,675	(210,767)
Amounts appropriated for expenditure	<u>(55,288)</u>	<u>(231,248)</u>
Endowment net assets, end of year	<u>\$ 1,259,006</u>	<u>\$ 1,144,923</u>

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2023 and 2022

15. Endowment Funds (Continued)

The Organizations' investment and spending policies for endowment assets attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Organization's spending and investment policies work together to achieve these objectives. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return a nominal average rate. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places an emphasis on equity and fixed-income investments to achieve its long-term return objectives with prudent risk parameters.

The Organization has a policy for appropriating for distribution the endowment funds that are not held in perpetuity based on donor-imposed time restrictions. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at a nominal average rate. This is consistent with the Organization's objective to maintain purchasing power of the endowment assets as well as to provide additional real growth through investment return.

16. Contingencies

Financial awards from governmental entities in the form of grants are subject to compliance audits. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits as the Organization does not believe it is at risk of such loss.

17. Concentrations

For the years ended December 31, 2023 and 2022, the Organization had a concentration of grants receivable from three funders each year. A receivable is considered to be a concentration if total receivables at the end of the year from that customer or funder exceeds 10% of the Organization's overall accounts receivable balance. As of December 31, 2023 and 2022, the Organization had \$1,721,787 and \$1,982,577, respectively, of accounts receivable at the end of the year due from these funders.

For the years ended December 31, 2023 and 2022, the Organization had a concentration of accounts payable from one vendor each year. A vendor is considered a major supplier if total purchases from that vendor exceeds 10% of the Company's overall purchases. The Company had \$474,678 and \$73,254 in accounts payable balances outstanding for these vendors as of December 31, 2023 and 2022, respectively.

18. Subsequent Events

Management evaluated the activity of the Organization through May 31, 2024 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the combined financial statements or disclosure in the notes to the combined financial statements.

Supplementary Information

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates
Combining Schedule of Financial Position
December 31, 2023

	District Council	Charitable Enterprises	Social Services	Eliminations	Combined
Assets					
Current Assets					
Cash and cash equivalents	\$ 2,436,200	\$ 625	\$ 438,060	\$ 0	\$ 2,874,885
Cash and cash equivalents - conferences	668,116	0	0	0	668,116
Accounts receivable	109,684	0	0	0	109,684
Contributions receivable	46,000	0	0	0	46,000
Grants receivable	0	0	2,057,646	0	2,057,646
Intercompany receivables	0	0	1,590,340	(1,590,340)	0
Investments	1,797,470	0	0	0	1,797,470
Prepaid expenses and other assets	55,276	225	13,536	0	69,037
Total Current Assets	5,112,746	850	4,099,582	(1,590,340)	7,622,838
Property and Equipment					
Land	726,010	366,000	825,156	0	1,917,166
Buildings and improvements	30,698,441	1,589,235	13,222,781	0	45,510,457
Furniture and fixtures	73,939	156,060	1,211,627	0	1,441,626
Vehicles	36,009	128,787	278,120	0	442,916
	31,534,399	2,240,082	15,537,684	0	49,312,165
Less: Accumulated depreciation	(21,757,045)	(1,532,913)	(7,521,236)	0	(30,811,194)
Net Property and Equipment	9,777,354	707,169	8,016,448	0	18,500,971
Other Assets					
Cash and cash equivalents - with donor restrictions	50,000	0	0	0	50,000
Contributions receivable - with donor restrictions	0	0	58,824	0	58,824
Remainder interest in trust - with donor restrictions	0	0	520,585	0	520,585
Deposits	1,000	1,667	1,971	0	4,638
Inventory	0	246,611	0	0	246,611
Right-of-use lease assets - finance	3,084	99,180	20,113	0	122,377
Right-of-use lease assets - operating	0	0	72,780	0	72,780
Interest rate swap receivable	103,549	0	0	0	103,549
Investments - board designated	5,108,140	0	137,682	0	5,245,822
Investments - with donor restrictions	1,209,006	0	0	0	1,209,006
Total Other Assets	6,474,779	347,458	811,955	0	7,634,192
Total Assets	\$ 21,364,879	\$ 1,055,477	\$ 12,927,985	\$ (1,590,340)	\$ 33,758,001

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates
Combining Schedule of Financial Position (Continued)
December 31, 2023

	District Council	Charitable Enterprises	Social Services	Eliminations	Combined
Liabilities and Net Assets					
Current Liabilities					
Accounts payable	\$ 169,781	\$ 22,266	\$ 647,634	\$ 0	\$ 839,681
Intercompany payables	1,473,296	117,044	0	(1,590,340)	0
Accrued expenses	219,385	16,541	67,974	0	303,900
Rental deposits	8,130	0	700	0	8,830
Short-term finance lease liability	3,073	38,235	10,002	0	51,310
Short-term operating lease liability	0	0	24,576	0	24,576
Current portion of long-term debt	1,210,674	0	0	0	1,210,674
Total Current Liabilities	<u>3,084,339</u>	<u>194,086</u>	<u>750,886</u>	<u>(1,590,340)</u>	<u>2,438,971</u>
Long-Term Liabilities					
Long-term finance lease liability	0	62,286	10,312	0	72,598
Long-term operating lease liability	0	0	48,204	0	48,204
Long-term debt	2,509,533	0	0	0	2,509,533
Unamortized debt issuance costs	(38,093)	0	0	0	(38,093)
Total Long-Term Liabilities	<u>2,471,440</u>	<u>62,286</u>	<u>58,516</u>	<u>0</u>	<u>2,592,242</u>
Net Assets					
Without donor restrictions					
Undesignated	8,773,838	799,105	11,401,492	0	20,974,435
Board designated	5,108,140	0	137,682	0	5,245,822
Conferences	668,116	0	0	0	668,116
Total net assets without donor restriction	<u>14,550,094</u>	<u>799,105</u>	<u>11,539,174</u>	<u>0</u>	<u>26,888,373</u>
With donor restrictions	1,259,006	0	579,409	0	1,838,415
Total Net Assets	<u>15,809,100</u>	<u>799,105</u>	<u>12,118,583</u>	<u>0</u>	<u>28,726,788</u>
Total Liabilities and Net Assets	<u>\$ 21,364,879</u>	<u>\$ 1,055,477</u>	<u>\$ 12,927,985</u>	<u>\$ (1,590,340)</u>	<u>\$ 33,758,001</u>

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates
Combining Schedule of Activities
For the Year Ended December 31, 2023

	District Council	Charitable Enterprises	Social Services	Eliminations	Combined
Revenue and Support					
Sales	\$ 0	\$ 1,220,323	\$ 0	\$ (73,563)	\$ 1,146,760
Contributions	62,032	11,523	3,338,518	0	3,412,073
Contributions - conferences	1,672,188	0	5,447	0	1,677,635
In-kind contributions	14,174	1,059,708	95,480	0	1,169,362
Grants	0	0	9,215,565	0	9,215,565
Fundraising income	137,290	0	205,903	0	343,193
Rental income	4,607,928	71,006	51,293	(29,437)	4,700,790
Interest income	3,582	0	0	0	3,582
Investment return, net	458,960	0	12,768	0	471,728
Change in fair value of interest rate swap agreements	(57,127)	0	0	0	(57,127)
Other income	51,871	0	300	0	52,171
Gain on sale of property and equipment	10,796	0	199,433	0	210,229
Net assets released from restrictions	55,288	0	9,920	0	65,208
	<u>7,016,982</u>	<u>2,362,560</u>	<u>13,134,627</u>	<u>(103,000)</u>	<u>22,411,169</u>
Expenses					
Program services	4,427,078	2,507,072	10,412,653	(103,000)	17,243,803
Management and general	1,604,857	0	0	0	1,604,857
Fundraising	562,789	0	0	0	562,789
	<u>6,594,724</u>	<u>2,507,072</u>	<u>10,412,653</u>	<u>(103,000)</u>	<u>19,411,449</u>
Change in Net Assets Without Donor Restrictions	<u>422,258</u>	<u>(144,512)</u>	<u>2,721,974</u>	<u>0</u>	<u>2,999,720</u>
Change in Net Assets With Donor Restrictions					
Contributions	51,696	0	0	0	51,696
Contributions - conferences	0	0	0	0	0
Change in value of remainder interest in trust	0	0	19,055	0	19,055
Investment return, net	117,675	0	0	0	117,675
Net assets released from restrictions	(55,288)	0	(9,920)	0	(65,208)
	<u>114,083</u>	<u>0</u>	<u>9,135</u>	<u>0</u>	<u>123,218</u>
Change in Net Assets	536,341	(144,512)	2,731,109	0	3,122,938
Net Assets - beginning of year	<u>15,272,759</u>	<u>943,617</u>	<u>9,387,474</u>	<u>0</u>	<u>25,603,850</u>
Net Assets - end of year	<u>\$ 15,809,100</u>	<u>\$ 799,105</u>	<u>\$ 12,118,583</u>	<u>\$ 0</u>	<u>\$ 28,726,788</u>

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates
Combining Schedule of Financial Position
December 31, 2022

	<u>District Council</u>	<u>Charitable Enterprises</u>	<u>Social Services</u>	<u>Eliminations</u>	<u>Combined</u>
Assets					
Current Assets					
Cash and cash equivalents	\$ 2,183,374	\$ 625	\$ 386,660	\$ 0	\$ 2,570,659
Cash and cash equivalents - conferences	591,967	0	0	0	591,967
Accounts receivable	47,562	0	3,117	0	50,679
Contribution receivable	450,000	0	0	0	450,000
Grants receivable	0	0	2,134,349	0	2,134,349
Intercompany receivables	0	0	373,503	(373,503)	0
Investments	820,250	0	0	0	820,250
Prepaid expenses and other assets	110,158	225	16,026	0	126,409
Total Current Assets	<u>4,203,311</u>	<u>850</u>	<u>2,913,655</u>	<u>(373,503)</u>	<u>6,744,313</u>
Property and Equipment					
Land	726,010	366,000	825,156	0	1,917,166
Buildings and improvements	30,693,528	1,572,051	10,945,416	0	43,210,995
Furniture and fixtures	73,939	156,060	1,092,288	0	1,322,287
Vehicles	6,550	128,787	225,195	0	360,532
	<u>31,500,027</u>	<u>2,222,898</u>	<u>13,088,055</u>	<u>0</u>	<u>46,810,980</u>
Less: Accumulated depreciation	(20,977,134)	(1,457,150)	(6,946,275)	0	(29,380,559)
Net Property and Equipment	<u>10,522,893</u>	<u>765,748</u>	<u>6,141,780</u>	<u>0</u>	<u>17,430,421</u>
Other Assets					
Cash and cash equivalents - with donor restrictions	50,000	0	7,500	0	57,500
Contributions receivable - with donor restrictions	0	0	61,243	0	61,243
Remainder interest in trust - with donor restrictions	0	0	501,531	0	501,531
Deposits	1,000	1,667	1,971	0	4,638
Inventory	0	335,860	0	0	335,860
Right-of-use lease assets - finance	7,709	137,328	31,252	0	176,289
Right-of-use lease assets - operating	0	0	11,235	0	11,235
Interest rate swap receivable	160,677	0	0	0	160,677
Investments - board designated	4,609,836	0	124,914	0	4,734,750
Investments - with donor restrictions	1,094,923	0	0	0	1,094,923
Total Other Assets	<u>5,924,145</u>	<u>474,855</u>	<u>739,646</u>	<u>0</u>	<u>7,138,646</u>
Total Assets	<u>\$ 20,650,349</u>	<u>\$ 1,241,453</u>	<u>\$ 9,795,081</u>	<u>\$ (373,503)</u>	<u>\$ 31,313,380</u>

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates
Combining Schedule of Financial Position (Continued)
December 31, 2022

	District Council	Charitable Enterprises	Social Services	Eliminations	Combined
Liabilities and Net Assets					
Current Liabilities					
Accounts payable	\$ 183,984	\$ 63,433	\$ 288,428	\$ 0	\$ 535,845
Intercompany payables	291,588	81,915	0	(373,503)	0
Accrued expenses	51,813	14,239	71,864	0	137,916
Rental deposits	7,719	0	650	0	8,369
Short-term finance lease liability	4,688	39,320	11,405	0	55,413
Short-term operating lease liability	0	0	11,235	0	11,235
Current portion of long-term debt	1,168,457	0	4,003	0	1,172,460
Total Current Liabilities	<u>1,708,249</u>	<u>198,907</u>	<u>387,585</u>	<u>(373,503)</u>	<u>1,921,238</u>
Long-Term Liabilities					
Interest rate swap liability	3,018	98,929	20,022	0	121,969
Long-term debt	3,716,445	0	0	0	3,716,445
Unamortized debt issuance costs	(50,122)	0	0	0	(50,122)
Total Long-Term Liabilities	<u>3,669,341</u>	<u>98,929</u>	<u>20,022</u>	<u>0</u>	<u>3,788,292</u>
Net Assets					
Without donor restrictions					
Undesignated	8,926,033	943,617	8,692,286	0	18,561,936
Board designated	4,609,836	0	124,914	0	4,734,750
Conferences	591,967	0	0	0	591,967
Total net assets without donor restriction	<u>14,127,836</u>	<u>943,617</u>	<u>8,817,200</u>	<u>0</u>	<u>23,888,653</u>
With donor restrictions	1,144,923	0	570,274	0	1,715,197
Total Net Assets	<u>15,272,759</u>	<u>943,617</u>	<u>9,387,474</u>	<u>0</u>	<u>25,603,850</u>
Total Liabilities and Net Assets	<u>\$ 20,650,349</u>	<u>\$ 1,241,453</u>	<u>\$ 9,795,081</u>	<u>\$ (373,503)</u>	<u>\$ 31,313,380</u>

St. Vincent de Paul Society District Council of Dayton, Ohio, Inc. and Affiliates
Combining Schedule of Activities
For the Year Ended December 31, 2022

	District Council	Charitable Enterprises	Social Services	Eliminations	Combined
Revenue and Support					
Sales	\$ 0	\$ 966,516	\$ 0	\$ (108,985)	\$ 857,531
Contributions	150,127	7,845	3,032,721	0	3,190,693
Contributions - conferences	1,495,071	1,800	3,935	0	1,500,806
In-kind contributions	0	946,746	0	0	946,746
Grants	209,325	0	7,429,602	0	7,638,927
Fundraising income	141,900	0	205,364	0	347,264
Rental income	4,359,376	69,391	60,376	(24,903)	4,464,240
Interest income	902	0	0	0	902
Investment return, net	(252,376)	0	(15,341)	0	(267,717)
Change in fair value of interest rate swap agreements	385,887	0	0	0	385,887
Other income	25,898	0	220	0	26,118
Net assets released from restrictions	260,218	0	27,516	0	287,734
	<u>6,776,328</u>	<u>1,992,298</u>	<u>10,744,393</u>	<u>(133,888)</u>	<u>19,379,131</u>
Expenses					
Program services	4,611,535	2,250,240	9,672,652	(133,888)	16,400,539
Management and general	1,155,730	0	0	0	1,155,730
Fundraising	478,254	0	0	0	478,254
	<u>6,245,519</u>	<u>2,250,240</u>	<u>9,672,652</u>	<u>(133,888)</u>	<u>18,034,523</u>
Change in Net Assets Without Donor Restrictions	<u>530,809</u>	<u>(257,942)</u>	<u>1,071,741</u>	<u>0</u>	<u>1,344,608</u>
Change in Net Assets With Donor Restrictions					
Contributions	0	0	7,500	0	7,500
Change in value of remainder interest in trust	0	0	(330,289)	0	(330,289)
Investment return, net	(210,767)	0	0	0	(210,767)
Net assets released from restrictions	(260,218)	0	(27,516)	0	(287,734)
	<u>(470,985)</u>	<u>0</u>	<u>(350,305)</u>	<u>0</u>	<u>(821,290)</u>
Change in Net Assets	59,824	(257,942)	721,436	0	523,318
Net Assets - beginning of year	15,212,935	1,201,559	8,666,038	0	25,080,532
Net Assets - end of year	<u>\$ 15,272,759</u>	<u>\$ 943,617</u>	<u>\$ 9,387,474</u>	<u>\$ 0</u>	<u>\$ 25,603,850</u>



In this ever-changing business environment, Flagel Huber Flagel goes beyond numbers and deadlines, returning the trust and confidence our clients place in us, with a caring partner relationship. We are committed to a collaborative search for ideas and solutions that help business organizations thrive and families build and preserve wealth. Our commitment is simple; financial and operational *insight*, service *integrity*, and problem solving *innovation*.

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