ELLIN & TUCKER

ST. VINCENT DE PAUL OF BALTIMORE, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

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Independent Auditors' Report

To the Board of Directors of
St. Vincent de Paul of Baltimore, Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of St. Vincent de Paul of Baltimore, Inc. and Subsidiaries (collectively referred to as the Organization), which comprise the Consolidated Statement of Financial Position as of June 30, 2018, and the related Consolidated Statements of Activities and Changes in Net Assets, Functional Expenses and Cash Flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report, Continued

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2018, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2019, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Correction of Error

As described in Note 11 to the consolidated financial statements, the Organization determined depreciation, loss on disposal of property and equipment, governmental grant revenue and intercompany revenue had not been properly recognized in prior years. As a result, the Organization recorded an adjustment to correct this error. Our opinion is not modified with respect to this matter.

Ellin & Tucker

ELLIN & TUCKER
Certified Public Accountants

Baltimore, Maryland
November 26, 2019

ASSETS

ASSETS	
Cash and Cash Equivalents	$ 243,338
Investments (Note 2)	4,255,021
Grants and Accounts Receivable	2,831,944
Pledges Receivable (Note 3)	337,263
Prepaid Expenses and Other Assets	220,714
Property and Equipment, Net of Accumulated Depreciation (Note 4)	16,831,354
Total Assets	$ 24,719,634

LIABILITIES AND NET ASSETS

LIABILITIES	
Notes Payable (Note 5)	$ 678,283
Accounts Payable and Accrued Expenses	1,426,013
Accrued Pension Liability (Note 9)	101,068
Deferred Governmental Grants (Note 6)	1,670,477
Total Liabilities	3,875,841
COMMITMENTS (Note 8)	
NET ASSETS (Note 7)	
Unrestricted	19,908,791
Temporarily Restricted	935,002
Total Net Assets	20,843,793
Total Liabilities and Net Assets	$ 24,719,634

(See Independent Auditors' Report and Accompanying Notes)

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Contributions and Grants	$ 2,649,814	$ 748,800	$ 3,398,614
Government Grants	14,421,158	383,544	14,804,702
Donated Food, Services and Occupancy (Note 10)	1,910,887	-	1,910,887
Program Income and Sales	2,132,479	-	2,132,479
Investment Income, Net of Investment Fees	421,524	-	421,524
Miscellaneous	135,707	-	135,707
	21,671,569	1,132,344	22,803,913
Net Assets Released from Restrictions	449,072	(449,072)	-
Total Revenue and Support	22,120,641	683,272	22,803,913
EXPENSES			
Program Services	20,285,103	-	20,285,103
Management and General	1,694,329	-	1,694,329
Fundraising	674,416	-	674,416
Total Expenses	22,653,848	-	22,653,848
Change in Net Assets before Depreciation Expense	(533,207)	683,272	150,065
DEPRECIATION EXPENSE	784,477	-	784,477
Change in Net Assets	(1,317,684)	683,272	(634,412)
NET ASSETS - BEGINNING OF YEAR AS PREVIOUSLY REPORTED	20,937,548	251,730	21,189,278
Prior Period Adjustment (Note 11)	288,927	-	288,927
NET ASSETS - BEGINNING OF YEAR AS RESTATED	21,226,475	251,730	21,478,205
NET ASSETS - END OF YEAR	$ 19,908,791	$ 935,002	$ 20,843,793

(See Independent Auditors' Report and Accompanying Notes)

	Program Services											
	Homeless Services and Supportive Housing	Child and Family Services	Workforce Development	Client Assistance	Healthy Food Access	Subtotal	Kidz Table	Eliminations	Total Program Services	Manangement and General	Fund Development	Total
Salaries	$ 2,777,331	$ 4,623,869	$ 366,871	$ 26,429	$ 24,467	$ 7,818,967	$ 892,130	$ -	$ 8,711,097	$ 1,094,942	$ 284,768	$ 10,090,807
Employee Benefits	558,719	1,037,300	73,839	2,087	4,570	1,676,515	214,554	-	1,891,069	(44,328)	46,278	1,893,019
Total Salaries and Related Expenses	3,336,050	5,661,169	440,710	28,516	29,037	9,495,482	1,106,684	-	10,602,166	1,050,614	331,046	11,983,826
Contract Services	465,435	1,145,919	18,176	967	295,699	1,926,196	47,859	(1,009,937)	964,118	195,950	91,086	1,251,154
Cost of Sales	-	-	-	-	-	-	1,361,696	-	1,361,696	-	-	1,361,696
Donated Food, Services and Occupancy	83,776	1,827,111	-	-	-	1,910,887	-	-	1,910,887	-	-	1,910,887
Supplies	151,443	285,792	23,661	798	5	461,699	21,736	-	483,435	9,645	39,511	532,591
Telephone	48,833	27,832	6,580	543	3,803	87,591	7,816	-	95,407	8,647	3,836	107,890
Printing and Postage	25,364	38,591	5,785	865	1,456	72,061	4,098	-	76,159	28,936	105,174	210,269
Occupancy	670,291	958,561	114,756	179	-	1,743,787	104,186	-	1,847,973	87,215	15,043	1,950,231
Insurance	39,307	71,838	4,096	2,819	28	118,088	83,047	-	201,135	7,793	2,954	211,882
Transportation	15,446	115,207	7,946	-	-	138,599	162,080	-	300,679	2,317	139	303,135
Conference Costs	39,979	60,473	2,096	9,614	-	112,162	-	-	112,162	40,940	10,640	163,742
Client Assistance	1,960,944	-	3,911	132,579	-	2,097,434	-	-	2,097,434	-	-	2,097,434
Miscellaneous	108,275	21,776	348	36,919	2,507	169,825	62,027	-	231,852	262,272	74,987	569,111
Total Expenses before Allocation of Indirect Costs and Depreciation Expense	6,945,143	10,214,269	628,065	213,799	332,535	18,333,811	2,961,229	(1,009,937)	20,285,103	1,694,329	674,416	22,653,848
Depreciation Expense	663,984	114,585	-	-	-	778,569	5,519	-	784,088	389	-	784,477
Total Expenses before Allocation of Indirect Costs	7,609,127	10,328,854	628,065	213,799	332,535	19,112,380	2,966,748	(1,009,937)	21,069,191	1,694,718	674,416	23,438,325
Indirect Costs	546,201	928,122	69,594	9,438	36,847	1,590,202	-	-	1,590,202	(1,647,949)	57,747	-
Total Expenses	$ 8,155,328	$ 11,256,976	$ 697,659	$ 223,237	$ 369,382	$ 20,702,582	$ 2,966,748	$ (1,009,937)	$ 22,659,393	$ 46,769	$ 732,163	$ 23,438,325

(See Independent Auditors' Report and Accompanying Notes)

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ (634,412)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:	
Depreciation	784,477
Realized and Unrealized Gain on Investments	421,524
Net Changes in:	
Pledges Receivable	652,538
Grants and Accounts Receivable	(1,288,254)
Prepaid Expenses and Other Assets	(55,326)
Accounts Payable and Accrued Liabilities	538,882
Accrued Pension Liability	(375,306)
Deferred Governmental Grants	(194,448)
Net Cash Used in Operating Activities	(150,325)
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Investments	(638,539)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Note Payable, Net	475,000
Net Change in Cash and Cash Equivalents	(313,864)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	557,202
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 243,338

(See Independent Auditors' Report and Accompanying Notes)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the activity of St. Vincent de Paul of Baltimore, Inc. (SVDP), St. Vincent de Paul Enterprises, LLC (Enterprises) and, St. Vincent de Paul of Baltimore Foundation, Inc. (Foundation) (collectively referred to as the Organization). All significant intercompany transactions and balances have been eliminated.

NATURE OF ACTIVITIES

SVDP is a charitable organization incorporated in the State of Maryland in 1867. Its purpose is to ensure that those impacted by poverty have the skills and resources to achieve their full potential.

Enterprises is a wholly owned subsidiary for-profit corporation organized under the laws of the State of Maryland doing business as "KidzTable". Enterprises provides meals and food to schools, Head Start programs, daycare centers and after school programs and began operations in September 2010.

ACCOUNTING STANDARDS CODIFICATION

All references in the consolidated financial statements to the Codification refer to the Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (GAAP) issued by the Financial Accounting Standards Board. The Codification is the single source of authoritative GAAP in the United States.

BASIS OF ACCOUNTING

As required by the Codification, the accompanying consolidated financial statements present balances consistent with the existence or absence of donor-imposed restrictions. All balances have been classified in the following categories of net assets:

(a) Unrestricted net assets, which result from support and revenue not subject to donor-imposed restrictions

(b) Temporarily restricted net assets, which result from support and revenue for which use by the Organization is limited by donor-imposed restrictions that either expire with the passage of time or can be fulfilled and thereby removed by the actions of the Organization pursuant to those restrictions

(c) Permanently restricted net assets, which result from support and revenue for which use by the Organization is limited by donor imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Organization

(See Independent Auditors' Report)

SUPPORT AND EXPENSES

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets or designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities and Changes in Net Assets as net assets released from restrictions.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Organization considers all highly liquid investments with original maturities of less than three months when purchased to be cash equivalents.

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

GRANTS AND ACCOUNTS RECEIVABLE

The Organization records grants and accounts receivable at cost, less an allowance for doubtful accounts, which is based on management's assessment of uncollectible amounts of grants and accounts receivable. Management has determined that no allowance is required at June 30, 2018, as all amounts are considered to be fully collectible.

PLEDGES RECEIVABLE

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

INVESTMENTS

Investments are reported at fair value in the Consolidated Statement of Financial Position. Realized and unrealized gains and losses are included in the change in net assets in the Consolidated Statement of Activities and Changes in Net Assets. See Note 2 for a discussion of fair value measurements.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Expenditures for property and equipment in excess of $5,000 are capitalized. Depreciation is determined using the straight-line method over the estimated useful lives of the related assets.

DEFERRED GOVERNMENTAL GRANTS

The Organization receives certain grants from governmental agencies, which are in the form of loans to be forgiven at a future date as long as the Organization meets certain compliance requirements. The Organization recognizes the grant revenue on a straight–line basis over the compliance period.

INCOME TAXES

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Internal Revenue Service has determined the Organization is not a private organization within the meaning of Section 509(a) of the Code.

The Organization follows the provisions of Accounting for Uncertainty in Income Taxes under the Income Taxes Topic of the Codification. The Codification requires the evaluation of tax positions, which include maintaining its tax-exempt status and the taxability of any unrelated business income, and does not allow recognition of tax positions which do not meet a "more-likely-than-not" threshold of being sustained by the applicable tax authority. Management does not believe it has taken any tax positions that would not meet this threshold.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the Consolidated Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting services benefitted.

Costs are allocated between program and supporting services based on evaluations of the related benefits. Supporting services include expenses not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

RISKS AND UNCERTAINTIES

The Organization invests in various investment securities, which are exposed to various risks, such as interest rate, credit and overall volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values will occur in the near term, and such changes could materially affect the amounts reported in the consolidated financial statements.

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through November 26, 2019, the date the consolidated financial statements were available to be issued.

NOTE 2 INVESTMENTS

Investments are stated at fair value. Investments at June 30, 2018 consisted of the following:

	Cost	Market
Money Market Funds	$ 277,071	$ 277,071
Equity Securities	736,650	2,064,884
Mutual Funds	1,608,873	1,913,066
	$ 2,622,594	$ 4,255,021

Investment income for the year ended June 30, 2018 consisted of the following:

Dividends and Interest	$ 112,576
Net Realized Gain on Sale of Investents	147,729
Unrealized Appreciation on Investments	176,990
	437,295
Less: Investment Fees	15,771
	$ 421,524

The Fair Value Measurements and Disclosures Topic of the Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

(See Independent Auditors' Report)

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Below are descriptions of the valuation methodologies used for assets measured at fair value. There has been no change in the methodologies used at June 30, 2018.

Money Market and Mutual Funds: Valued at the net asset value (NAV) of shares held at year end. NAV is a quoted price in an active market.

Equity Securities: Valued at quoted prices in an active market.

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

(See Independent Auditors' Report)

The following table summarizes the Organization's investments at fair value as of June 30, 2018, which are all within Level 1 of the fair value hierarchy:

Money Market Funds	$ 277,071
Equity Securities:	
Consumer Discretionary	367,556
Consumer Staples	152,729
Energy	64,700
Financial	281,786
Health Care	374,965
Industrial	158,145
Information Technology	565,296
Material	28,066
Utilities	71,641
Mutual Funds:	
Bond Funds	1,262,448
Stock Funds	491,871
Large Cap Equity Index Fund	99,192
Mid Cap Equity Index Fund	59,555
	$ 4,255,021

NOTE 3 PLEDGES RECEIVABLE

Pledges receivables at June 30, 2018 were as follows:

Due in Less than One Year	$ 275,927
Due in One to Five Years	79,425
	355,352
Less: Discount to Net Present Value	18,089
Pledges Receivable - Net	$ 337,263

Pledges receivable due in more than one year are reflected at the present value of estimated future cash flows using an average discount rate of 4%.

(See Independent Auditors' Report)

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2018 were as follows:

Leasehold Improvements	$ 10,332,096
Equipment	1,084,109
Furniture	500,275
Computer	83,477
Buildings	9,732,171
Land	1,172,700
	22,904,828
Less: Accumulated Depreciation	6,073,474
Property and Equipment, Net	$ 16,831,354

Depreciation expense for the year ended June 30, 2018 was approximately $785,000.

NOTE 5 NOTES PAYABLE

The Organization has a revolving line of credit with M&T Bank, which provides for borrowings up to $500,000, with interest at overnight LIBOR plus 3%. The line is collateralized by the assets of the Organization and payable on demand. At June 30, 2018, $500,000 was outstanding under the line of credit. The line of credit agreement requires the Organization to maintain compliance with certain financial covenants.

The Organization has a reducing revolver line with M&T Bank, which provides for borrowings up to $1,000,000 for construction at the Sarah's Hope, Mount Street Shelter. During the draw period, the line required monthly payments of interest at overnight LIBOR plus 2%. At January 1, 2018, the line was converted to a revolver loan, which requires a minimum annual payment of 5% of the outstanding principal balance in each of the calendar years for 2018, 2019 and 2020. The remaining loan balance is collateralized by the marketable securities of the Organization and due in full at December 31, 2021. At June 30, 2018, $153,238 was outstanding under the loan. The loan agreement requires the Organization to maintain compliance with certain financial covenants.

The Organization has an additional line of credit with M&T Bank, which provides for borrowings up to $100,000 with interest at overnight LIBOR plus 3%. The line is collateralized by the assets of the Organization and payable on demand. At June 30, 2018, $25,000 was outstanding under the line of credit.

NOTE 6 DEFERRED GOVERNMENTAL GRANTS

The Organization has received government funding in the form of loans to be forgiven at a future date, contingent on the Organization's compliance with the terms of the funding. In the event of non-compliance, the Organization could be subject to repayment of the entire loan amount, plus interest, as defined in the loan agreements. Management believes the Organization has complied with the terms of the agreements and intends to comply through the compliance period.

Deferred governmental grants at June 30, 2018 consisted of the following:

Grantor	Original Amount	Forgiveness Date	Balance
Baltimore City/HUD SHP	$ 682,329	September 2021	$ 204,692
Baltimore CDHD/Sarah's Hope	1,500,000	September 2029	1,125,000
Innterim Housing	367,000	December 2024	340,785
			$ 1,670,477

NOTE 7 NET ASSETS

Temporarily restricted net assets at June 30, 2018 consisted of the following:

Front Door City	$ 83,583
Navigator Program	269,075
Camp	122,000
Home Connections	383,544
Time Restricted	76,800
Total Temporarily Restricted Net Assets	$ 935,002

NOTE 8 COMMITMENTS

The Organization leases facilities and vehicles under long-term leases expiring at various dates through June 2027. The Organization assumes all long-term leases will exercise their renewal option and has included those renewals in the below list of future rental commitments. The minimum future rental payments under the leases are as follows:

Year Ending June 30,	2019	$ 657,052
	2020	635,798
	2021	620,148
	2021	632,330
	2022	429,827
	Thereafter	827,534

Rent expense for the year ended June 30, 2018 was approximately $655,000.

(See Independent Auditors' Report)

NOTE 9 RETIREMENT PLANS

401(k) and 403(b) Plans

The Organization maintains tax deferred annuity plans under Internal Revenue Code Sections 401(k) [401(k) Plan] and 403(b) [403(b) Plan], which are available to all employees who meet service related eligibility requirements. Participants may elect to contribute to the 401(k) and 403(b) Plans up to amounts prescribed by the Internal Revenue Code. The Organization makes matching contributions to the 401(k) and 403(b) Plans ranging from 3% to 6% of participant's compensation as well as a 3% safe harbor contribution on behalf of all participants. For the year ended June 30, 2018, the Organization's contributions to the 401(k) and 403(b) Plans amounted to $31,104 and $232,425, respectively.

457(f) Plan

The Organization also maintains a 457(f) eligible deferred compensation plan [457(f) Plan], which provides certain benefits to senior executives. The 457(f) Plan requires the employer make a contribution to each eligible employee's account in an amount equal to 21% of the eligible employee's annual salary subject to annual limitations. The 457(f) Plan also allows for employer discretionary contributions. Employer contributions vest and are paid to the participants every three years.

457(b) Plan

The Organization also maintains a 457(b) Eligible Deferred Compensation Plan [457(b) Plan], which provides certain benefits for eligible employees. The 457(b) Plan allows eligible employees to defer a portion of their compensation, which is invested in marketable securities, carried at fair value and included in investments in the accompanying Consolidated Statement of Financial Position.

The following table summarizes the Organization's marketable securities related to its 457(f) and 457(b) Plans at June 30, 2018, all of which were valued within Level 1 of the fair value hierarchy:

Mutual Funds:	
Large Cap	$ 99,192
Mid Cap	59,555
	$ 158,747

(See Independent Auditors' Report)

DEFINED BENEFIT PLAN

On July 1, 2013, SVDP received the pension plan assets for employees that were participants in the Archdiocese of Baltimore Lay Employees' Pension Plan (Archdiocesan Plan) prior to June 30, 2011, which is the point the Archdiocese closed the plan to new contributions and new participants. SVDP established its own pension plan in 2013 and accepted the transfer of the assets and liabilities of the existing Archdiocesan Plan related to SVDP's participants. Benefits are based upon participant's years of service and compensation through June 30, 2011. Since establishing the SVDP pension plan, SVDP has made contributions to the plan for the purpose of improving the funded status of the plan.

Summary information on SVDP's defined benefit plan at June 30, 2018 (measurement date) is as follows:

Projected Benefit Obligation	$ (2,225,425)
Plan Assets at Fair Value	2,124,357
Funded Status of the Plan	$ (101,068)
Accumulated Benefit Obligation	$ 2,225,425
Employer Contributions	$ 97,917
Benefits Paid	150,396
Net Periodic Pension Cost	9,380

The Compensation – Retirement Benefits Topic of the Codification requires recognition of the overfunded or underfunded status of a defined benefit plan as an asset or liability on the balance sheet and changes in the funded status in the year in which the changes occur through other comprehensive income. The Codification also requires the defined benefit plan's assets and obligations be measured as of the same date as the Organization's year end.

The weighted-average assumptions used to determine benefit obligations of SVDP's defined benefit plan at June 30, 2018 are as follows:

Discount Rate	4.15%
Rate of Compensation Increase	Not Applicable

The weighted-average assumptions used to determine the net periodic pension cost for the year ended June 30, 2018 are as follows:

Discount Rate	4.00%
Expected Long-Term Return on Defined Benefit Plan Assets	7.00%
Rate of Compensation Increase	Not Applicable

(See Independent Auditors' Report)

Estimated future benefit payments to participants are as follows:

Year Ending December 31,	2019	$ 88,978
	2020	90,692
	2021	90,040
	2022	94,701
	2023	93,867
	2024 through 2028	582,264

The Trustees have allocated day-to-day investment decisions to a professional investment manager who has sole discretion in making investments on behalf of the Trust Fund. The Trustees have provided general investment guidelines to the investment manager that investments may include securities for which there is an active market and are obtainable by a licensed broker-dealer "over the counter" or on a recognized exchange and any other lawful investments which are approved by the Trustees.

Subsequent to June 30, 2018, SVDP began the process of terminating the defined benefit plan. Management anticipates the termination will occur prior to June 30, 2019.

NOTE 10 DONATED FOOD, SERVICES AND OCCUPANCY

The Organization receives donated services from volunteers in support of its programs and donations of food from various individuals, parishes and the government. In addition, the Organization leases seven buildings for its Head Start program at discounted rates or for no consideration.

In accordance with GAAP, the Organization has reported the value of the donated materials, services and occupancy as support and program expense in the Consolidated Statement of Activities and Changes in Net Assets for the year ended June 30, 2018. The value of the donated time by volunteers for the various programs has not been reported in these consolidated financial statements as these donated services do not meet the criteria for recognition.

The value of donated food, services and occupancy was as follows at June 30, 2018:

Personal Services	$ 994,078
Occupancy	1,702,543
Food	218,051
Other Donations	239,105
	3,153,777
Less: Value of Personal Services and Other Donations Not Recognized	1,242,890
	$ 1,910,887

(See Independent Auditors' Report)

NOTE 11 PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2018, the Organization determined certain restatements were required to properly reflect the Organization's net assets as of July 1, 2017. The restatements were as follows:

- Property and equipment were understated due to incorrect calculations of depreciation and loss on disposal in prior periods. This resulted in an increase to net assets at July 1, 2017 of $163,927.
- Deferred Governmental Grants were overstated as they were carried as long-term debt and no revenue had been recognized as earned in prior periods. This resulted in an increase to net assets at July 1, 2017 of $275,000.
- Revenue recorded between divisions was not properly eliminated in the prior period, which resulted in an overstatement of net assets at July 1, 2017 of $150,000.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors of
St. Vincent de Paul of Baltimore, Inc.

We have audited the consolidated financial statements of St. Vincent de Paul of Baltimore, Inc. and Subsidiaries as of and for the year ended June 30, 2018, and our report thereon dated November 26, 2019, which expressed an unmodified opinion on those consolidated financial statements, appears on Pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in the accompanying Consolidating Statements of Financial Position, Activities and Changes in Net Assets is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Ellin + Tucker

ELLIN & TUCKER
Certified Public Accountants

Baltimore, Maryland
November 26, 2019

	SVDP	Enterprises	Foundation	Subtotal	Eliminations	Consolidated
ASSETS						
Cash and Cash Equivalents	$ 210,068	$ 33,270	$ -	$ 243,338	$ -	$ 243,338
Investments	158,747	-	4,096,274	4,255,021	-	4,255,021
Grants and Accounts Receivable	2,664,194	396,081	-	3,060,275	(228,331)	2,831,944
Pledges Receivable	337,263	-	-	337,263	-	337,263
Prepaid Expenses and Other Current Assets	171,130	47,914	1,670	220,714	-	220,714
Property and Equipment, Net of Accumulated Depreciation	16,822,367	8,987	-	16,831,354	-	16,831,354
Total Assets	$ 20,363,769	$ 486,252	$ 4,097,944	$ 24,947,965	$ (228,331)	$ 24,719,634
LIABLITIES						
Notes Payable	$ 653,283	$ 25,000	$ -	$ 678,283	$ -	$ 678,283
Accounts Payable and Accrued Expenses	1,432,563	215,581	6,200	1,654,344	(228,331)	1,426,013
Accrued Pension Liability	101,068	-	-	101,068	-	101,068
Deferred Governmental Grants	1,670,477	-	-	1,670,477	-	1,670,477
Due to (from) Related Parties	81,620	(81,729)	109	-	-	-
Total Liabilities	3,939,011	158,852	6,309	4,104,172	(228,331)	3,875,841
NET ASSETS						
Unrestricted	15,489,756	327,400	4,091,635	19,908,791	-	19,908,791
Temporarily Restricted	935,002	-	-	935,002	-	935,002
Total Net Assets	16,424,758	327,400	4,091,635	20,843,793	-	20,843,793
Total Liabilities and Net Assets	$ 20,363,769	$ 486,252	$ 4,097,944	$ 24,947,965	$ -	$ 24,719,634

(See Independent Auditors' Report on Supplementary Information)

Consolidating Statements of Activities and Changes in Net Assets

St. Vincent de Paul of Baltimore, Inc. and Subsidiaries

For the Year Ended June 30, 2018

	SVDP	Enterprises	Foundation	Eliminations	Consolidated
REVENUE AND SUPPORT					
Contributions and Grants	$ 3,605,237	$ 14,026	$ -	$ (220,649)	$ 3,398,614
Government Grants	14,804,702	-	-	-	14,804,702
Donated Food, Services and Occupancy	1,910,887	-	-	-	1,910,887
Program Income and Sales	297,393	2,845,023	-	(1,009,937)	2,132,479
Investment Income, Net of Investment Fees	4,767	-	416,757	-	421,524
Miscellaneous	212,609	7,098	-	(84,000)	135,707
Total Revenue and Support	20,835,595	2,866,147	416,757	(1,314,586)	22,803,913
EXPENSES					
Program Services	18,333,811	3,045,229	220,649	(1,314,586)	20,285,103
Management and General	1,694,220	-	109	-	1,694,329
Fundraising	674,416	-	-	-	674,416
Total Expenses	20,702,447	3,045,229	220,758	(1,314,586)	22,653,848
Change in Net Assets before Depreciation Expense	133,148	(179,082)	195,999	-	150,065
DEPRECIATION EXPENSE	778,958	5,519	-	-	784,477
Change in Net Assets	(645,810)	(184,601)	195,999	-	(634,412)
NET ASSETS - BEGINNING OF YEAR AS PREVIOUSLY REPORTED	16,781,641	512,001	3,895,636	-	21,189,278
Prior Period Adjustment	288,927	-	-	-	288,927
NET ASSETS - BEGINNING OF YEAR AS RESTATED	17,070,568	512,001	3,895,636	-	21,478,205
NET ASSETS - END OF YEAR	$ 16,424,758	$ 327,400	$ 4,091,635	$ -	$ 20,843,793

(See Independent Auditors' Report on Supplementary Information)