ELLIN & TUCKER

ST. VINCENT DE PAUL OF BALTIMORE, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

INDEPENDENT AUDITORS' REPORT

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

OPINION

We 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 Statements of Financial Position as of June 30, 2022 and 2021, the related Consolidated Statements of Activities and Changes in Net Assets, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021 and the results of its operations 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Consolidated Financial Statements section of our report. We are required to be independent of Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF MANAGEMENT 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT, CONTINUED

AUDITORS' RESPONSIBILITIES FOR THE AUDITS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance matters 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.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we also issued our report dated February 16, 2023, 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

INDEPENDENT AUDITORS' REPORT, CONTINUED

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.

Ellin + Tucker

ELLIN & TUCKER
Certified Public Accountants

Baltimore, Maryland
February 16, 2023

ASSETS

	2022	2021
ASSETS		
Cash and Cash Equivalents	$ 111,583	$ 881,576
Investments (Note 2)	7,799,781	9,826,863
Grants and Accounts Receivable	7,648,812	5,083,184
Pledges Receivable (Note 3)	40,250	60,250
Prepaid Expenses and Other Assets	297,381	250,928
Property and Equipment, Net of Accumulated Depreciation (Note 4)	16,066,890	15,827,254
Total Assets	$ 31,964,697	$ 31,930,055

LIABILITIES AND NET ASSETS

	2022	2021
LIABILITIES		
Notes Payable (Note 5)	$ 3,431,337	$ 138,338
Accounts Payable and Accrued Expenses	2,447,759	2,581,564
Capital Lease Obligations (Note 9)	210,504	351,560
Deferred Income	818,154	13,077
Deferred Governmental Grants (Note 6)	856,070	1,012,133
Total Liabilities	7,763,824	4,096,672
COMMITMENTS (Note 8)		
NET ASSETS		
Without Donor Restrictions	20,503,030	22,516,387
With Donor Restrictions (Note 7)	3,697,843	5,316,996
Total Net Assets	24,200,873	27,833,383
Total Liabilities and Net Assets	$ 31,964,697	$ 31,930,055

(See Independent Auditors' Report and Accompanying Notes)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions and Grants	$ 2,280,424	$ -	$ 2,280,424
Government Grants	25,743,781	-	25,743,781
Donated Food, Services, and Occupancy (Note 11)	3,778,171	-	3,778,171
Program Income and Sales	1,759,002	-	1,759,002
Investment Loss, Net of Investment Fees	(961,301)	-	(961,301)
Miscellaneous	163,430	-	163,430
	32,763,507	-	32,763,507
Net Assets Released from Restrictions	1,619,153	(1,619,153)	-
Total Revenue and Support	34,382,660	(1,619,153)	32,763,507
EXPENSES			
Program Services	31,984,335	-	31,984,335
Management and General	3,022,540	-	3,022,540
Fundraising	639,239	-	639,239
Total Expenses	35,646,114	-	35,646,114
Change in Net Assets before Depreciation Expense and Forgiveness of Debt	(1,263,454)	(1,619,153)	(2,882,607)
DEPRECIATION EXPENSE	749,903	-	749,903
Change in Net Assets	(2,013,357)	(1,619,153)	(3,632,510)
NET ASSETS - BEGINNING OF YEAR	22,516,387	5,316,996	27,833,383
NET ASSETS - END OF YEAR	$ 20,503,030	$ 3,697,843	$ 24,200,873

(See Independent Auditors' Report and Accompanying Notes)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions and Grants	$ 2,850,884	$ 715,582	$ 3,566,466
Government Grants	22,360,736	264,521	22,625,257
Donated Food, Services, and Occupancy (Note 11)	2,537,707	-	2,537,707
Program Income and Sales	1,497,194	-	1,497,194
Investment Income, Net of Investment Fees	1,883,320	-	1,883,320
Miscellaneous	142,526	-	142,526
	31,272,367	980,103	32,252,470
Net Assets Released from Restrictions	1,131,978	(1,131,978)	-
Total Revenue and Support	32,404,345	(151,875)	32,252,470
EXPENSES			
Program Services	25,775,541	-	25,775,541
Management and General	2,838,134	-	2,838,134
Fundraising	526,454	-	526,454
Total Expenses	29,140,129	-	29,140,129
Change in Net Assets before Depreciation Expense and Forgiveness of Debt	3,264,216	(151,875)	3,112,341
DEPRECIATION EXPENSE	723,833	-	723,833
Change in Net Assets before Forgiveness of Debt	2,540,383	(151,875)	2,388,508
FORGIVENESS OF DEBT (Note 5)	563,165	-	563,165
Change in Net Assets	3,103,548	(151,875)	2,951,673
NET ASSETS - BEGINNING OF YEAR	19,412,839	5,468,871	24,881,710
NET ASSETS - END OF YEAR	$ 22,516,387	$ 5,316,996	$ 27,833,383

(See Independent Auditors' Report and Accompanying Notes)

	Program Services									
	Homeless Services and Supportive Housing	Child and Family Services	Workforce Development	Client Assistance	Subtotal	St. Vincent de Paul Enterprises, LLC	Total Program Services	Manangement and General	Fundraising	Total
Salaries	$ 5,355,176	$ 5,216,874	$ 116,412	$ 53,601	$ 10,742,063	$ 1,298,818	$ 12,040,881	$ 1,902,915	$ 292,300	$ 14,236,096
Employee Benefits	925,175	1,021,494	25,586	10,045	1,982,300	167,668	2,149,968	345,495	49,770	2,545,233
Total Salaries and Related Expenses	6,280,351	6,238,368	141,998	63,646	12,724,363	1,466,486	14,190,849	2,248,410	342,070	16,781,329
Contract Services	(287,744)	1,019,987	3,505	831	736,579	79,008	815,587	370,223	125,719	1,311,529
Cost of Sales	-	-	-	-	-	1,977,760	1,977,760	-	-	1,977,760
Donated Food, Services, and Occupancy	1,017,669	2,710,906	49,596	-	3,778,171	-	3,778,171	-	-	3,778,171
Supplies	146,660	629,528	6,854	(144)	782,898	44,891	827,789	111,364	7,010	946,163
Telephone	93,919	89,756	2,717	642	187,034	12,377	199,411	48,905	6,111	254,427
Printing and Postage	43,673	36,902	775	730	82,080	57	82,137	57,162	75,203	214,502
Occupancy	1,856,328	899,059	15,435	90	2,770,912	277,349	3,048,261	90,183	45,491	3,183,935
Insurance	79,464	66,119	1,653	-	147,236	68,722	215,958	17,128	3,306	236,392
Transportation	3,616	106,072	-	1,130	110,818	117,425	228,243	483	336	229,062
Conference Costs	34,796	94,031	1,127	10,983	140,937	1,445	142,382	9,983	702	153,067
Client Assistance	6,179,593	-	4,170	16,863	6,200,626	-	6,200,626	-	-	6,200,626
Miscellaneous	143,555	102,554	-	23,439	269,548	7,613	277,161	68,699	33,291	379,151
Total Expenses before Depreciation Expense and Allocation of Indirect Costs	15,591,880	11,993,282	227,830	118,210	27,931,202	4,053,133	31,984,335	3,022,540	639,239	35,646,114
Depreciation Expense	415,698	74,303	94,674	-	584,675	108,138	692,813	57,088	-	749,901
Total Expenses before Allocation of Indirect Costs	16,007,578	12,067,585	322,504	118,210	28,515,877	4,161,271	32,677,148	3,079,628	639,239	36,396,015
Indirect Costs	1,798,952	1,079,705	25,527	11,111	2,915,295	-	2,915,295	(2,991,276)	75,981	-
Total Expenses	$ 17,806,530	$ 13,147,290	$ 348,031	$ 129,321	$ 31,431,172	$ 4,161,271	$ 35,592,443	$ 88,352	$ 715,220	$ 36,396,015

(See Independent Auditors' Report and Accompanying Notes)

	Program Services									
	Homeless Services and Supportive Housing	Child and Family Services	Workforce Development	Client Assistance	Subtotal	St. Vincent de Paul Enterprises, LLC	Total Program Services	Manangement and General	Fundraising	Total
Salaries	$ 4,740,835	$ 5,158,590	$ 165,897	$ 42,750	$ 10,108,072	$ 1,148,754	$ 11,256,826	$ 1,611,439	$ 250,453	$ 13,118,718
Employee Benefits	823,757	1,102,922	35,413	7,956	1,970,048	191,319	2,161,367	414,455	3	2,575,825
Total Salaries and Related Expenses	5,564,592	6,261,512	201,310	50,706	12,078,120	1,340,073	13,418,193	2,025,894	250,456	15,694,543
Contract Services	134,153	330,163	4,654	125	469,095	66,700	535,795	441,703	73,895	1,051,393
Cost of Sales	-	-	-	-	-	2,097,798	2,097,798	-	-	2,097,798
Donated Food, Services, and Occupancy	115,023	2,422,684	-	-	2,537,707	-	2,537,707	-	-	2,537,707
Supplies	175,894	540,183	1,192	117	717,386	76,666	794,052	16,507	3,953	814,512
Telephone	78,756	90,320	6,440	1,003	176,519	13,489	190,008	29,287	6,401	225,696
Printing and Postage	24,992	26,615	1,476	381	53,464	505	53,969	67,461	116,283	237,713
Occupancy	854,032	677,923	27,875	12	1,559,842	262,397	1,822,239	92,868	8,435	1,923,542
Insurance	81,657	89,155	3,852	12	174,676	20,256	194,932	17,858	3,817	216,607
Transportation	1,726	5,450	317	287	7,780	78,284	86,064	208	713	86,985
Conference Costs	22,958	110,900	1,113	6,503	141,474	3,830	145,304	12,520	398	158,222
Client Assistance	3,253,107	-	11,796	23,930	3,288,833	-	3,288,833	-	-	3,288,833
Miscellaneous	139,511	346,303	284	27,384	513,482	97,165	610,647	133,828	62,103	806,578
Total Expenses before Depreciation Expense and Allocation of Indirect Costs	10,446,401	10,901,208	260,309	110,460	21,718,378	4,057,163	25,775,541	2,838,134	526,454	29,140,129
Depreciation Expense	786	-	-	-	786	-	786	723,047	-	723,833
Total Expenses before Allocation of Indirect Costs	10,447,187	10,901,208	260,309	110,460	21,719,164	4,057,163	25,776,327	3,561,181	526,454	29,863,962
Indirect Costs	1,540,285	1,174,769	36,287	15,339	2,766,680	-	2,766,680	(2,838,125)	71,445	-
Total Expenses	$ 11,987,472	$ 12,075,977	$ 296,596	$ 125,799	$ 24,485,844	$ 4,057,163	$ 28,543,007	$ 723,056	$ 597,899	$ 29,863,962

(See Independent Auditors' Report and Accompanying Notes)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (3,632,510)	$ 2,951,673
Adjustments to Reconcile Change in Net Assets to		
Net Cash (Used in) Provided by Operating Activities:		
Depreciation	749,901	723,833
Forgiveness of Debt	-	(563,165)
Realized and Unrealized Gain on Investments	1,268,599	(1,756,729)
Net Changes in:		
Pledges Receivable	20,000	26,001
Grants and Accounts Receivable	(2,565,628)	1,034,359
Prepaid Expenses and Other Assets	(46,453)	153,536
Accounts Payable and Accrued Liabilities	(133,805)	159,799
Deferred Income	805,077	(90,644)
Deferred Governmental Grants	(156,063)	(216,166)
Net Cash (Used in) Provided by Operating Activities	(3,690,882)	2,422,497
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments and Reinvested Earnings	(132,381)	(280,105)
Proceeds from Sale of Investments	890,864	917,566
Purchase of Property and Equipment	(989,537)	(338,683)
Net Cash (Used In) Provided by Investing Activities	(231,054)	298,778
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (Repayments on) Notes Payable, Net	1,669,530	(1,729,952)
Increase in Checks Drawn in Excess of Bank Balance	1,623,469	-
Repayments on Capital Lease Obligations	(141,056)	(109,747)
Net Cash Provided by (Used in) Financing Activities	3,151,943	(1,839,699)
Net Change in Cash and Cash Equivalents	(769,993)	881,576
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	881,576	-
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 111,583	$ 881,576
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Contributed Securities	$ -	$ -
Equipment Acquired under Capital Leases	$ -	$ 168,883

(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 were 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 organized under the laws of the state of Maryland doing business as Good Harvest (previously KidzTable). Enterprises provides meals and food to shelters, 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 (FASB). The Codification is the single source of authoritative GAAP in the United States.

NEW ACCOUNTING STANDARD ADOPTED

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which enhances the existing accounting presentation and disclosures related to in-kind contributions. The Organization adopted this ASU as of and for the year ended June 30, 2022 with retrospective application for the consolidated financial statements for the year ended June 30, 2021. The adoption of this ASU did not materially impact the timing and measurement of contributed nonfinancial assets.

BASIS OF ACCOUNTING AND PRESENTATION

The consolidated financial statements were prepared on the accrual basis of accounting in accordance with GAAP. Under the accrual basis of accounting, support and revenue are recorded when earned, and expenses are recorded when incurred. Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions.

Donor-restricted contributions whose restrictions are met in the same reporting period are reported as revenue within net assets without donor restrictions.

SUPPORT AND EXPENSES

The Organization reports gifts of cash and other assets as unrestricted 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, donor-restricted net assets are reclassified to net assets without donor restrictions and reported in the Consolidated Statements 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.

(See Independent Auditors' Report)

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.

REVENUE RECOGNITION

All contributions and grants are considered available for unrestricted use unless specifically restricted by the donor. Program income and sales revenue are recognized at the time of sale when the control is transferred to the clients. All revenues associated with future period service obligations are reported as deferred income until earned.

INVESTMENTS

Investments are reported at fair value in the Consolidated Statements of Financial Position. Realized and unrealized gains and losses are included in the change in net assets in the Consolidated Statements 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 that 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 (Code). In addition, the Internal Revenue Service 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 Organization's 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 took 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 were summarized on a functional basis in the Consolidated Statements of Functional Expenses. Accordingly, certain costs were allocated among the benefitting program and supporting services.

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.

RISK 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 evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through February 16, 2023, the date the consolidated financial statements were available to be issued.

NOTE 2 INVESTMENTS

Investments are stated at fair value. Investments at June 30, 2022 and 2021 consisted of the following:

	2022		2021	
	Cost	Market	Cost	Market
Money Market Funds	$ 94,825	$ 94,825	$ 326,091	$ 326,091
Equity Securities	545,569	2,486,340	631,559	3,039,795
Mutual Funds	5,154,890	5,218,616	5,266,270	6,460,977
	$ 5,795,284	$ 7,799,781	$ 6,223,920	$ 9,826,863

Investment (loss) income for the years ended June 30, 2022 and 2021 consisted of the following:

	2022	2021
Dividends and Interest	$ 310,330	$ 129,817
Net Realized Gain on Sale of Investments	333,690	357,415
Unrealized (Depreciation) Appreciation on Investments	(1,602,289)	1,399,314
	(958,269)	1,886,546
Less: Investment Fees	3,032	3,226
	$ (961,301)	$ 1,883,320

The Fair Value Measurements and Disclosures Topic of the Codification establishes a framework for measuring fair value. The framework provides a fair value hierarchy that 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:

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;

(See Independent Auditors' Report)

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 were no changes in the methodologies used at June 30, 2022 and 2021.

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.

The following table summarizes the Organization's investments at fair value as of June 30, 2022 and 2021, which are all within Level 1 of the fair value hierarchy:

	2022	2021
Money Market Funds	$ 94,825	$ 326,091
Equity Securities:		
Consumer Discretionary	350,346	480,190
Consumer Staples	141,990	172,879
Energy	-	-
Financial	165,742	239,917
Health Care	487,918	536,662
Industrial	152,344	170,152
Information Technology	658,980	776,816
International	-	-
Materials	-	41,194
Communication Services	284,474	373,196
Real Estate	115,016	121,563
Utilities	129,530	127,226
Mutual Funds:		
Bond Funds	3,301,771	3,687,507
Stock Funds	1,642,247	2,434,390
Large Cap Equity Index Fund	190,768	233,206
Mid Cap Equity Index Fund	83,830	105,874
	$ 7,799,781	$ 9,826,863

NOTE 3 PLEDGES RECEIVABLE

Pledges receivables at June 30, 2022 and 2021 were as follows:

	2022	2021
Due in Less Than One Year	$ 52,750	$ 72,750
Less: Allowance for Doubtful Pledges and Discount to Net Present Value	12,500	12,500
Pledges Receivable, Net	$ 40,250	$ 60,250

Pledges receivable are reflected net of management's allowance for doubtful pledges.

(See Independent Auditors' Report)

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2022 and 2021 were as follows:

	2022	2021
Leasehold Improvements	$ 8,318,594	$ 10,509,917
Equipment	798,438	1,227,033
Furniture	496,771	500,275
Computer Equipment	83,477	83,477
Buildings and Building Improvements	13,038,956	10,364,839
Land	1,172,700	1,172,700
Transportation Equipment	246,171	246,171
Construction in Progress	938,841	-
	25,093,948	24,104,412
Less: Accumulated Depreciation	9,027,058	8,277,158
Property and Equipment, Net	$ 16,066,890	$ 15,827,254

Depreciation expense for the years ended June 30, 2022 and 2021 was approximately $750,000 and $724,000, respectively.

NOTE 5 NOTES PAYABLE

The Organization has a revolving line of credit with M&T Bank, which provides for borrowings up to $2,750,000, with interest at overnight LIBOR plus 3%. The line is collateralized by the assets of the Organization and payable on demand. As of June 30, 2022, $1,807,868 was outstanding under the line of credit. In addition, the Organization has issued checks in excess of the Organization's bank balance of $1,623,469 as of June 30, 2022, which is included in Notes Payable in the accompanying Statement of Financial Position. There was no amount outstanding as of June 30, 2021. The line of credit agreement requires the Organization to maintain compliance with certain financial covenants.

The Organization has an additional revolving line of credit with M&T Bank, which provided for borrowings up to $1,000,000 for construction at the Sarah's Hope Mount Street Shelter. The line is collateralized by marketable securities of the Organization, bears interest at overnight LIBOR plus 2%, and is due in full at December 31, 2021. There was no amount outstanding under the loan as of June 30, 2022 and $138,338 outstanding as of June 30, 2021. The loan agreement requires the Organization to maintain compliance with certain financial covenants.

The Organization has a third 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

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of the Organization and payable on demand. There were no amounts outstanding under the line of credit at June 30, 2022, and no amounts outstanding at June 30, 2021.

In April 2020, the Organization received a loan of $563,165 under the Small Business Administration's (SBA) Paycheck Protection Program (PPP). The Organization used the funds primarily for payroll costs during the 24-week period beginning in April 2020 in accordance with the terms of the PPP and, in January 2021, received notification from the SBA that the loan was forgiven. Forgiveness income in the amount of $563,165 was included as forgiveness of debt in the Consolidated Statement of Activities and Changes in Net Assets for the year ended June 30, 2021. PPP loans are subject to audit for six years by the U.S. Department of Treasury, SBA, or lender; as a result of such audit, adjustments to the recognition of revenue could be required.

NOTE 6 DEFERRED GOVERNMENTAL GRANTS

The Organization receives 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 noncompliance, the Organization could be subject to repayment of the entire loan amount, plus interest, as defined in the loan agreements. Management believes the Organization complied with the terms of the agreements and intends to comply during the compliance period.

Deferred governmental grants at June 30, 2022 consisted of the following:

Grantor	Original Amount	Forgiveness Date	Balance
Maryland Department of Housing and Community Development	$ 1,500,000	September 2029	$ 725,000
INNterim Housing	367,000	December 2024	131,070
			$ 856,070

(See Independent Auditors' Report)

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2022 and 2021 consisted of the following:

	2022	2021
Subject to Expenditure for Specified Purposes:		
Day One	$ 3,283,562	$ 4,245,008
Home Connections	241,720	264,521
Weinberg Youth	39,777	199,762
Family Stability	29,852	30,628
Navigator Program	-	142,081
Camp	-	136,881
Civic Fund Front Door	-	77,036
Educational Excellence	-	50,000
Front Door City	-	22,155
Other	102,932	148,924
	$ 3,697,843	$ 5,316,996

NOTE 8 COMMITMENTS AND CONTINGENCIES

The Organization leases various facilities under long-term leases expiring at various dates through August 2025. The Organization assumes all long-term leases will exercise their renewal options and included those renewals in the below list of future rental commitments. The future minimum rental payments under the leases are as follows:

Year Ending June 30,	2023	$ 453,133
	2024	298,959
	2025	13,341
	2026	23,615
	2027	3,949

Rent expense for the years ended June 30, 2022 and 2021 was approximately $450,000 and $383,000, respectively.

The Organization received notices from the Internal Revenue Service that certain required tax filings were not made during 2017 and 2018 and was assessed penalties of approximately $240,000. The Organization engaged legal counsel to seek abatement of these penalties; however, the ultimate resolution cannot currently be determined. Management believes its maximum liability in this matters will be approximately $80,000 and recorded a liability in the same amount as of June 30, 2022.

(See Independent Auditors' Report)

NOTE 9 CAPITAL LEASE OBLIGATIONS

The Organization leases transportation and kitchen equipment under a capital lease arrangement. The future minimum lease payments under these capital leases are as follows:

Year Ending June 30,	2023	$ 147,788
	2024	45,175
	2025	26,352
		219,315
Less: Amount Representing Interest		(8,811)
Present Value of Minimum Lease Payments		$ 210,504

Property under capital leases consisted of the following at June 30, 2022:

Transportation Equipment, at Cost	$ 608,188
Kitchen Equipment, at Cost	168,883
Less: Accumulated Depreciation	(581,524)
	$ 195,547

NOTE 10 RETIREMENT PLANS

403(b) Plan

The Organization maintains a tax-deferred annuity plan [403(b) Plan] under Code Section 403(b) that is available to all employees who meet service-related eligibility requirements. Participants may elect to contribute to the 403(b) Plan up to amounts prescribed by the Code. The Organization makes matching contributions to the 403(b) Plan ranging from 3% to 6% of a participant's compensation as well as a 3% safe harbor contribution on behalf of all participants. For the years ended June 30, 2022 and 2021, the Organization's contributions to the 403(b) Plan amounted to approximately $350,000 and $385,000, 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 Organization to make a contribution to each participant's account subject to the conditions and annual limitations of the 457(f) Plan and also allows the Organization to make discretionary contributions. The Organization's contributions vest and are paid to the participants every three years. The Organization's contributions are invested in marketable securities, which are carried at fair value and included in investments in the accompanying Consolidated Statements of Financial Position.

(See Independent Auditors' Report)

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 participants to receive a portion of their compensation, which is invested in marketable securities, carried at fair value, and included in investments in the accompanying Consolidated Statements of Financial Position.

The following table summarizes the Organization's marketable securities related to its 457(f) and 457(b) Plans at June 30, 2022 and 2021, all of which were valued within Level 1 of the fair value hierarchy:

	2022	2021
Money Market Funds	$ 1,341	$ 1,341
Mutual Funds:		
Bond Funds	9,373	10,462
Large Cap	190,768	233,206
Mid Cap	83,830	105,874
	$ 285,312	$ 350,883

NOTE 11 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 buildings for its Head Start program at discounted rates or for no consideration.

In accordance with GAAP, the Organization reported the value of the donated materials, services, and occupancy as support and program expense in the Consolidated Statements of Activities and Changes in Net Assets for the years ended June 30, 2022 and 2021. The value of the donated time by volunteers for the various programs was not reported in these consolidated financial statements because these donated services do not meet the criteria for recognition.

(See Independent Auditors' Report)

The value of donated food, services, and occupancy was as follows at June 30, 2022 and 2021:

	2022	2021
Personal Services	$ 313,607	$ 105,406
Occupancy	3,248,880	2,416,680
Food	529,291	74,343
Other Donations	-	46,684
	4,091,778	2,643,113
Less: Value of Personal Services and Other Donations Not Recognized	313,607	105,406
	$ 3,778,171	$ 2,537,707

NOTE 12 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available to meet cash needs for general expenditures within one year of the Consolidated Statements of Financial Position date were as follows:

	2022	2021
Cash and Cash Equivalents	$ 111,583	$ 881,576
Investments	7,799,781	9,826,863
Grants and Accounts Receivable	7,648,812	5,083,184
Pledges Receivable	40,250	60,250
Total Financial Assets	15,600,426	15,851,873
457(f) and 457(b) Plan Assets	(285,312)	(350,883)
Donor Contributions Restricted to Specific Purposes	(3,697,843)	(5,316,996)
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	$ 11,617,271	$ 10,183,994

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requires in short-term investments.

(See Independent Auditors' Report)

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

REPORT ON SUPPLEMENTARY INFORMATION

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in the accompanying consolidated Schedules of Financial Position and Activities and Changes in Net Assets is presented for purpose 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 related directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information was subjected to the auditing procedures applied in the audits of the consolidated financial statements and to 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, 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. 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
February 16, 2023

	SVDP	Enterprises	Foundation	Subtotal	Eliminations	Consolidated
ASSETS						
Cash and Cash Equivalents	$ 75,540	$ 36,043	$ -	$ 111,583	$ -	$ 111,583
Investments	3,281,705	-	4,518,076	7,799,781	-	7,799,781
Grants and Accounts Receivable	7,349,739	1,426,456	-	8,776,195	(1,127,383)	7,648,812
Pledges Receivable, Net	40,250	-	-	40,250	-	40,250
Prepaid Expenses and Other Assets	239,043	57,154	1,184	297,381	-	297,381
Due (to) from Related Parties	(107,771)	108,371	(600)	-	-	-
Property and Equipment, Net	15,797,986	268,904	-	16,066,890	-	16,066,890
Total Assets	$ 26,676,492	$ 1,896,928	$ 4,518,660	$ 33,092,080	$ (1,127,383)	$ 31,964,697
LIABLITIES						
Notes Payable	$ 3,158,460	$ 272,877	$ -	$ 3,431,337	$ -	$ 3,431,337
Accounts Payable and Accrued Expenses	3,309,339	265,803	-	3,575,142	(1,127,383)	2,447,759
Capital Lease Obligations	-	210,504	-	210,504	-	210,504
Deferred Revenue	813,447	4,707	-	818,154	-	818,154
Deferred Governmental Grants	856,070	-	-	856,070	-	856,070
Total Liabilities	8,137,316	753,891	-	8,891,207	(1,127,383)	7,763,824
NET ASSETS						
Without Donor Restrictions	14,841,333	1,143,037	4,518,660	20,503,030	-	20,503,030
With Donor Restrictions	3,697,843	-	-	3,697,843	-	3,697,843
Total Net Assets	18,539,176	1,143,037	4,518,660	24,200,873	-	24,200,873
Total Liabilities and Net Assets	$ 26,676,492	$ 1,896,928	$ 4,518,660	$ 33,092,080	$ (1,127,383)	$ 31,964,697

(See Independent Auditors' Report on Supplementary Information)

Consolidating Statement of Financial Position

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

For the Year Ended June 30, 2021

	SVDP	Enterprises	Foundation	Subtotal	Eliminations	Consolidated
ASSETS						
Cash and Cash Equivalents	$ 155,488	$ 726,088	$ -	$ 881,576	$ -	$ 881,576
Investments	4,373,686	-	5,453,177	9,826,863	-	9,826,863
Grants and Accounts Receivable	4,832,469	633,577	-	5,466,046	(382,862)	5,083,184
Pledges Receivable, Net	60,250	-	-	60,250	-	60,250
Prepaid Expenses and Other Assets	212,606	36,772	1,550	250,928	-	250,928
Due (to) from Related Parties	(69,507)	70,107	(600)	-	-	-
Property and Equipment, Net	15,500,907	326,347	-	15,827,254	-	15,827,254
Total Assets	$25,065,899	$1,792,891	$5,454,127	$32,312,917	$ (382,862)	$31,930,055
LIABLITIES						
Notes Payable	$ 138,338	$ -	$ -	$ 138,338	$ -	$ 138,338
Accounts Payable and Accrued Expenses	2,527,150	314,601	122,675	2,964,426	(382,862)	2,581,564
Capital Lease Obligations	-	351,560	-	351,560	-	351,560
Deferred Revenue	855	12,222	-	13,077	-	13,077
Deferred Governmental Grants	1,012,133	-	-	1,012,133	-	1,012,133
Total Liabilities	3,678,476	678,383	122,675	4,479,534	(382,862)	4,096,672
NET ASSETS						
Without Donor Restrictions	16,070,427	1,114,508	5,331,452	22,516,387	-	22,516,387
With Donor Restrictions	5,316,996	-	-	5,316,996	-	5,316,996
Total Net Assets	21,387,423	1,114,508	5,331,452	27,833,383	-	27,833,383
Total Liabilities and Net Assets	$25,065,899	$1,792,891	$5,454,127	$32,312,917	$ (382,862)	$31,930,055

(See Independent Auditors' Report on Supplementary Information)

Consolidating Statement of Activities and Changes in Net Assets

St. Vincent de Paul of Baltimore, Inc. and Subsidiaries
For the Year Ended June 30, 2022

	SVDP	Enterprises	Foundation	Subtotal	Eliminations	Consolidated
REVENUE AND SUPPORT						
Contributions and Grants	$ 2,270,053	$ 180,043	$ -	$ 2,450,096	$ (169,672)	$ 2,280,424
Government Grants	25,016,615	727,166	-	25,743,781	-	25,743,781
Donated Food, Services, and Occupancy	3,778,171	-	-	3,778,171	-	3,778,171
Program Income and Sales	65,509	3,163,325	-	3,228,834	(1,469,832)	1,759,002
Investment Loss, Net	(440,581)	-	(520,720)	(961,301)	-	(961,301)
Miscellaneous	44,164	161,266	-	205,430	(42,000)	163,430
Total Revenue and Support	30,733,931	4,231,800	(520,720)	34,445,011	(1,681,504)	32,763,507
EXPENSES						
Program Services	29,278,634	4,053,133	292,072	33,623,839	(1,639,504)	31,984,335
Management and General	3,022,540	42,000	-	3,064,540	(42,000)	3,022,540
Fundraising	639,239	-	-	639,239	-	639,239
Total Expenses	32,940,413	4,095,133	292,072	37,327,618	(1,681,504)	35,646,114
Change in Net Assets before Depreciation Expense	(2,206,482)	136,667	(812,792)	(2,882,607)	-	(2,882,607)
DEPRECIATION EXPENSE	641,765	108,138	-	749,903	-	749,903
Change in Net Assets	(2,848,247)	28,529	(812,792)	(3,632,510)	-	(3,632,510)
NET ASSETS - BEGINNING OF YEAR	21,387,423	1,114,508	5,331,452	27,833,383	-	27,833,383
NET ASSETS - END OF YEAR	$ 18,539,176	$ 1,143,037	$ 4,518,660	$ 24,200,873	$ -	$ 24,200,873

(See Independent Auditors' Report on Supplementary Information)

Consolidating Statement of Activities and Changes in Net Assets

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

For the Year Ended June 30, 2021

	SVDP	Enterprises	Foundation	Subtotal	Eliminations	Consolidated
REVENUE AND SUPPORT						
Contributions and Grants	$ 3,450,716	$ 298,286	$ -	$ 3,749,002	$ (182,536)	$ 3,566,466
Government Grants	20,400,444	2,224,813	-	22,625,257	-	22,625,257
Donated Food, Services, and Occupancy	2,537,707	-	-	2,537,707	-	2,537,707
Program Income and Sales	62,152	2,383,715	-	2,445,867	(948,673)	1,497,194
Investment Income, Net	728,828	-	1,154,492	1,883,320	-	1,883,320
Miscellaneous	225,226	1,392	(92)	226,526	(84,000)	142,526
Total Revenue and Support	27,405,073	4,908,206	1,154,400	33,467,679	(1,215,209)	32,252,470
EXPENSES						
Program Services	22,591,937	4,057,163	257,650	26,906,750	(1,131,209)	25,775,541
Management and General	2,838,134	84,000	-	2,922,134	(84,000)	2,838,134
Fundraising	526,454	-	-	526,454	-	526,454
Total Expenses	25,956,525	4,141,163	257,650	30,355,338	(1,215,209)	29,140,129
Change in Net Assets before Depreciation Expense and Forgiveness of Debt	1,448,548	767,043	896,750	3,112,341	-	3,112,341
DEPRECIATION EXPENSE	635,176	88,657	-	723,833	-	723,833
Change in Net Assets before Forgiveness of Debt	813,372	678,386	896,750	2,388,508	-	2,388,508
FORGIVENESS OF DEBT (Note 5)	563,165	-	-	563,165	-	563,165
Change in Net Assets	1,376,537	678,386	896,750	2,951,673	-	2,951,673
NET ASSETS - BEGINNING OF YEAR	20,010,886	436,122	4,434,702	24,881,710	-	24,881,710
NET ASSETS - END OF YEAR	$21,387,423	$1,114,508	$5,331,452	$27,833,383	$ -	$27,833,383

(See Independent Auditors' Report on Supplementary Information)