ELLIN & TUCKER

ST. VINCENT DE PAUL OF BALTIMORE, INC.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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, 2023 and 2022, 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, 2023 and 2022 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

INDEPENDENT AUDITORS' REPORT, CONTINUED

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we also issued our report dated January 17, 2024, 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.

Ellin & Tucker

ELLIN & TUCKER
Certified Public Accountants

Baltimore, Maryland
January 17, 2024

ASSETS

	2023	2022
ASSETS		
Cash and Cash Equivalents	$ 731	$ 111,583
Investments (Note 2)	7,443,639	7,799,781
Grants and Accounts Receivable	6,611,126	7,648,812
Pledges Receivable (Note 3)	26,250	40,250
Prepaid Expenses and Other Assets	278,473	297,381
Right-of-Use Assets – Operating (Note 8)	572,752	-
Property and Equipment, Net of Accumulated Depreciation (Note 4)	16,820,869	16,066,890
Total Assets	$ 31,753,840	$ 31,964,697

LIABILITIES AND NET ASSETS

	2023	2022
LIABILITIES		
Notes Payable (Note 5)	$ 1,959,100	$ 3,431,337
Accounts Payable and Accrued Expenses	2,765,775	2,447,759
Operating Lease Liabilities (Note 8)	572,752	-
Financing Lease Obligations (Note 9)	69,565	210,504
Deferred Income	634,791	818,154
Deferred Governmental Grants (Note 6)	703,641	856,070
Total Liabilities	6,705,624	7,763,824
COMMITMENTS (Notes 8 and 9)		
NET ASSETS		
Without Donor Restrictions	21,755,994	20,503,030
With Donor Restrictions (Note 7)	3,292,222	3,697,843
Total Net Assets	25,048,216	24,200,873
Total Liabilities and Net Assets	$ 31,753,840	$ 31,964,697

(See Independent Auditors' Report and Accompanying Notes)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions and Grants	$ 2,788,460	$ 123,802	$ 2,912,262
Government Grants	23,558,080	-	23,558,080
Donated Food, Services, and Occupancy (Note 11)	2,830,215	-	2,830,215
Program Income and Sales	1,439,319	-	1,439,319
Investment Income, Net of Investment Fees	510,658	-	510,658
Miscellaneous	214,419	-	214,419
	31,341,151	123,802	31,464,953
Net Assets Released From Restrictions	529,423	(529,423)	-
Total Revenue and Support	31,870,574	(405,621)	31,464,953
EXPENSES			
Program Services	25,947,046	-	25,947,046
Management and General	3,247,778	-	3,247,778
Fundraising	673,776	-	673,776
Total Expenses	29,868,600	-	29,868,600
Change in Net Assets Before Depreciation Expense	2,001,974	(405,621)	1,596,353
DEPRECIATION EXPENSE	749,010	-	749,010
Change in Net Assets	1,252,964	(405,621)	847,343
NET ASSETS – BEGINNING OF YEAR	20,503,030	3,697,843	24,200,873
NET ASSETS – END OF YEAR	$ 21,755,994	$ 3,292,222	$ 25,048,216

(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)	3,072,841	-	3,072,841
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
	32,058,177	-	32,058,177
Net Assets Released From Restrictions	1,619,153	(1,619,153)	-
Total Revenue and Support	33,677,330	(1,619,153)	32,058,177
EXPENSES			
Program Services	31,279,005	-	31,279,005
Management and General	3,022,540	-	3,022,540
Fundraising	639,239	-	639,239
Total Expenses	34,940,784	-	34,940,784
Change in Net Assets Before Depreciation Expense	(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)

Consolidated Statement of Functional Expenses

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

For the Year Ended June 30, 2023

	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	$ 4,108,302	$ 5,356,368	$ -	$ 56,955	$ 9,521,625	$ 1,296,835	$ 10,818,460	$ 1,972,753	$ 247,426	$ 13,038,639
Employee Benefits	744,452	1,133,175	-	12,582	1,890,209	189,837	2,080,046	401,998	56,325	2,538,369
Total Salaries and Related Expenses	4,852,754	6,489,543	-	69,537	11,411,834	1,486,672	12,898,506	2,374,751	303,751	15,577,008
Contract Services	(616,656)	1,157,457	-	2,862	543,663	72,571	616,234	406,375	218,936	1,241,545
Cost of Sales	-	-	-	-	-	1,708,506	1,708,506	-	-	1,708,506
Donated Food, Services, and Occupancy	146,295	2,682,830	-	-	2,829,125	-	2,829,125	-	1,000	2,830,125
Supplies	73,266	650,001	-	5,775	729,042	71,799	800,841	32,028	9,147	842,016
Telephone	100,412	97,434	-	993	198,839	12,266	211,105	48,462	5,257	264,824
Printing and Postage	32,087	74,322	-	258	106,667	508	107,175	23,646	60,968	191,789
Occupancy	736,758	1,088,341	-	161	1,825,260	209,656	2,034,916	98,362	30,351	2,163,629
Insurance	77,201	103,729	-	-	180,930	65,529	246,459	24,383	4,147	274,989
Transportation	11,475	152,855	-	815	165,145	120,655	285,800	1,112	5,054	291,966
Conference Costs	22,708	178,134	-	13,554	214,396	1,360	215,756	29,411	4,841	250,008
Client Assistance	3,713,632	1,331	-	20,680	3,735,643	-	3,735,643	-	-	3,735,643
Miscellaneous	6,455	49,734	-	27,557	83,746	173,234	256,980	209,248	30,324	496,552
Total Expenses Before Depreciation Expense and Allocation of Indirect Costs	9,156,387	12,725,711	-	142,192	22,024,290	3,922,756	25,947,046	3,247,778	673,776	29,868,600
Depreciation Expense	411,741	80,867	94,674	-	587,282	104,640	691,922	57,088	-	749,010
Total Expenses Before Allocation of Indirect Costs	9,568,128	12,806,578	94,674	142,192	22,611,572	4,027,396	26,638,968	3,304,866	673,776	30,617,610
Indirect Costs	1,210,500	1,293,258	-	17,865	2,521,623	-	2,521,623	(2,614,264)	92,641	-
Total Expenses	$ 10,778,628	$ 14,099,836	$ 94,674	$ 160,057	$ 25,133,195	$ 4,027,396	$ 29,160,591	$ 690,602	$ 766,417	$ 30,617,610

(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	312,339	2,710,906	49,596	-	3,072,841	-	3,072,841	-	-	3,072,841
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	14,886,550	11,993,282	227,830	118,210	27,225,872	4,053,133	31,279,005	3,022,540	639,239	34,940,784
Depreciation Expense	415,698	74,303	94,674	-	584,675	108,138	692,813	57,090		749,903
Total Expenses Before Allocation of Indirect Costs	15,302,248	12,067,585	322,504	118,210	27,810,547	4,161,271	31,971,818	3,079,630	639,239	35,690,687
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	$ 17,101,200	$ 13,147,290	$ 348,031	$ 129,321	$ 30,725,842	$ 4,161,271	$ 34,887,113	$ 88,354	$ 715,220	$ 35,690,687

(See Independent Auditors' Report and Accompanying Notes)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 847,343	$ (3,632,510)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	749,010	749,903
Realized and Unrealized (Gain) Loss on Investments	(315,415)	1,268,599
Net Changes in:		
Pledges Receivable	14,000	20,000
Grants and Accounts Receivable	1,037,686	(2,565,628)
Prepaid Expenses and Other Assets	18,908	(46,455)
Accounts Payable and Accrued Expenses	318,016	(133,805)
Deferred Income	(183,363)	805,077
Deferred Governmental Grants	(152,429)	(156,063)
Net Cash Provided by (Used in) Operating Activities	2,333,756	(3,690,882)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments and Reinvested Earnings	(772,788)	(132,381)
Proceeds from Sale of Investments	1,444,345	890,864
Purchases of Property and Equipment	(1,502,989)	(989,537)
Net Cash Used in Investing Activities	(831,432)	(231,054)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments on) Proceeds from Notes Payable, Net	(485,583)	1,669,530
(Decrease) Increase in Checks Drawn in Excess of Bank Balance	(986,654)	1,623,469
Repayments on Financing Lease Obligations	(140,939)	(141,056)
Net Cash (Used in) Provided by Financing Activities	(1,613,176)	3,151,943
Net Change in Cash and Cash Equivalents	(110,852)	(769,993)
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	111,583	881,576
CASH AND CASH EQUIVALENTS – END OF YEAR	$ 731	$ 111,583

(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), St. Vincent de Paul of Baltimore Foundation, Inc. (Foundation), and St. Vincent de Paul Housing, LLC (Housing) (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 February 2016, the FASB issued Accounting Standards Update 2016-02 – Leases (Topic 842) to increase transparency and comparability among organizations by recognizing lease assets and the corresponding lease liabilities and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded.

The Organization adopted the standard effective July 1, 2022 and recognized and measured leases existing at July 1, 2022 through a cumulative effect adjustment. The Organization elected the package of practical expedients to not reassess (1) whether any expired or existing contracts are or contain leases, (2) lease classification for any expired or existing leases, and

(3) initial direct costs for any expired or existing leases. The Organization elected the short-term lease exemption policy as well as the practical expedient that allows lessees to treat lease and non-lease components as a single lease component. The Organization also elected the practical expedient to use the risk-free rate at the adoption date of July 1, 2022 to calculate the present value of lease payments.

The standard had a material impact on the Consolidated Statement of Financial Position, but did not have a material impact on the Consolidated Statement of Activities and Changes in Net Assets, nor the Consolidated Statement of Cash Flows. The most significant impact was the recognition of right-of-use assets and lease liabilities for operating leases. In the year of adoption, the Organization recorded right-of-use assets and operating lease liabilities of approximately $570,000 as of July 1, 2022.

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.

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 January 17, 2024, the date the consolidated financial statements were available to be issued.

NOTE 2 INVESTMENTS

Investments are stated at fair value. Investments at June 30, 2023 and 2022 consisted of the following:

	2023		2022	
	Cost	Market	Cost	Market
Money Market Funds	$ 497,357	$ 497,357	$ 94,825	$ 94,825
Equity Securities	497,210	2,664,752	545,569	2,486,340
Mutual Funds	4,155,216	4,281,530	5,154,890	5,218,616
	$ 5,149,783	$ 7,443,639	$ 5,795,284	$ 7,799,781

Investment income (loss) for the years ended June 30, 2023 and 2022 consisted of the following:

	2023	2022
Dividends and Interest	$ 218,822	$ 310,330
Net Realized Gain on Sale of Investments	7,747	333,690
Unrealized Appreciation (Depreciation) on Investments	307,668	(1,602,289)
	534,237	(958,269)
Less: Investment Fees	23,579	3,032
	$ 510,658	$ (961,301)

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).

(See Independent Auditors' Report)

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; 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, 2023 and 2022.

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, 2023 and 2022, which are all within Level 1 of the fair value hierarchy:

	2023	2022
Money Market Funds	$ 497,357	$ 94,825
Equity Securities:		
Consumer Discretionary	403,645	350,346
Consumer Staples	154,980	141,990
Financial	310,145	165,742
Health Care	493,959	487,918
Industrial	157,770	152,344
Information Technology	659,629	658,980
Communication Services	273,188	284,474
Real Estate	87,273	115,016
Utilities	124,163	129,530
Mutual Funds:		
Bond Funds	2,635,361	3,301,771
Stock Funds	1,390,200	1,642,247
Large Cap Equity Index Fund	148,614	190,768
Mid Cap Equity Index Fund	107,355	83,830
	$ 7,443,639	$ 7,799,781

NOTE 3 PLEDGES RECEIVABLE

Pledges receivable at June 30, 2023 and 2022 were as follows:

	2023	2022
Due in Less Than One Year	$ 48,750	$ 52,750
Less: Allowance for Doubtful Pledges and Discount to Net Present Value	22,500	12,500
Pledges Receivable, Net	$ 26,250	$ 40,250

(See Independent Auditors' Report)

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2023 and 2022 were as follows:

	2023	2022
Leasehold Improvements	$ 8,318,594	$ 8,318,594
Equipment	798,439	798,438
Furniture	496,771	496,771
Computer Equipment	83,477	83,477
Buildings and Building Improvements	15,480,785	13,038,956
Land	1,172,700	1,172,700
Transportation Equipment	246,171	246,171
Construction in Progress	-	938,841
	26,596,937	25,093,948
Less: Accumulated Depreciation	9,776,068	9,027,058
Property and Equipment, Net	$ 16,820,869	$ 16,066,890

Depreciation expense for the years ended June 30, 2023 and 2022 was approximately $749,000 and $750,000, respectively.

NOTE 5 NOTES PAYABLE

The Organization has a revolving line of credit with M&T Bank, which provides for borrowings up to $3,250,000, with interest at overnight SOFR plus 3%. The line is collateralized by the assets of the Organization and is payable on demand. As of June 30, 2023, $1,322,285 was outstanding under the line of credit. In addition, the Organization issued checks in excess of the Organization's bank balance of $636,815 as of June 30, 2023, which is included in notes payable in the accompanying Consolidated Statement of Financial Position. As of June 30, 2022, $1,807,868 was outstanding under the line of credit. In addition, the Organization issued checks in excess of the Organization's bank balance of $1,623,469 as of June 30, 2022. The line of credit 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 $500,000 with interest at overnight SOFR plus 2%. The line is collateralized by the assets of the Organization and is payable on demand. There were no amounts outstanding under the line of credit at June 30, 2023 and 2022.

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, 2023 consisted of the following:

Grantor	Original Amount	Forgiveness Date	Balance
Maryland Department of Housing and Community Development	$ 1,500,000	September 2029	$ 625,000
INNterim Housing	367,000	December 2024	78,641
			$ 703,641

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2023 and 2022 consisted of the following:

	2023	2022
Subject to Expenditure for Specified Purposes:		
Day One	$ 2,775,596	$ 3,283,562
Home Connections	257,365	241,720
Weinberg Youth	-	39,777
Family Stability	29,852	29,852
Other	229,409	102,932
	$ 3,292,222	$ 3,697,843

NOTE 8 OPERATING LEASE OBLIGATIONS

The Organization leases various facilities under operating lease agreements. The right-of-use assets and operating lease liabilities are being amortized over the respective lives of the leases. As of June 30, 2023, the unamortized right-of-use assets were valued at $572,752, and the operating lease liabilities were valued at $572,752. The weighted-average remaining lease term was 1.35 years as of June 30, 2023. The weighted-average discount rate was 7% as of June 30, 2023. Operating lease expense was approximately $407,000 and $450,000 for the years ended June 30, 2023 and 2022, respectively.

(See Independent Auditors' Report)

Future minimum lease payments under the operating leases are as follows:

Year Ending June 30,	2024	$ 438,610
	2025	160,913
	2026	23,615
	2027	3,949
		$ 627,087
Less: Amount Representing Interest		(54,335)
Present Value of Minimum Lease Payments		$ 572,752

NOTE 9 FINANCING LEASE OBLIGATIONS

The Organization leases transportation and kitchen equipment under financing lease arrangements. The future minimum lease payments under these financing leases are as follows:

Year Ending June 30,	2024	$ 45,175
	2025	26,352
		71,527
Less: Amount Representing Interest		(1,962)
Present Value of Minimum Lease Payments		$ 69,565

Property under financing leases consisted of the following at June 30, 2023:

Transportation Equipment, at Cost	$ 608,188
Kitchen Equipment, at Cost	168,883
Less: Accumulated Depreciation	(696,148)
	$ 80,923

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 each of the years ended June 30, 2023 and 2022, the Organization's contributions to the 403(b) Plan amounted to approximately $350,000.

(See Independent Auditors' Report)

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.

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, 2023 and 2022, all of which were valued within Level 1 of the fair value hierarchy:

	2023	2022
Money Market Funds	$ 146,536	$ 1,341
Mutual Funds:		
Bond Funds	9,683	9,373
Large Cap	148,614	190,768
Mid Cap	107,355	83,830
	$ 412,188	$ 285,312

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, 2023 and 2022. The value

(See Independent Auditors' Report)

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.

The value of donated food, services, and occupancy was as follows at June 30, 2023 and 2022:

	2023	2022
Personal Services	$ 70,163	$ 313,607
Occupancy	3,289,140	3,248,880
Food	146,907	529,291
Other Donations	99,498	-
	3,605,708	4,091,778
Less: Value of Personal Services and Other Donations Not Recognized	775,493	1,018,937
	$ 2,830,215	$ 3,072,841

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:

	2023	2022
Cash and Cash Equivalents	$ 731	$ 111,583
Investments	7,443,639	7,799,781
Grants and Accounts Receivable	6,611,126	7,648,812
Pledges Receivable	26,250	40,250
Total Financial Assets	14,081,746	15,600,426
457(f) and 457(b) Plan Assets	(412,188)	(285,312)
Donor Contributions Restricted to Specific Purposes	(3,292,222)	(3,697,843)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 10,377,336	$ 11,617,271

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 of St. Vincent de Paul of Baltimore, Inc. and Subsidiaries (collectively referred to as the Organization). The supplementary information included in the accompanying Consolidating Statements 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
January 17, 2024

	SVDP	Enterprises	Foundation	Subtotal	Eliminations	Consolidated
ASSETS						
Cash and Cash Equivalents	$ 731	$ -	$ -	$ 731	$ -	$ 731
Investments	2,755,157	-	4,688,482	7,443,639	-	7,443,639
Grants and Accounts Receivable	6,438,694	1,006,144	-	7,444,838	(833,712)	6,611,126
Pledges Receivable, Net	26,250	-	-	26,250	-	26,250
Prepaid Expenses and Other Assets	208,203	68,998	1,272	278,473	-	278,473
Due (to) From Related Parties	(5,614)	6,214	(600)	-	-	-
Right-of-Use Assets – Operating	572,752	-	-	572,752	-	572,752
Property and Equipment, Net	16,656,605	164,264	-	16,820,869	-	16,820,869
Total Assets	$ 26,652,778	$ 1,245,620	$ 4,689,154	$ 32,587,552	$ (833,712)	$ 31,753,840
LIABLITIES						
Notes Payable	$ 1,929,712	$ 29,388	$ -	$ 1,959,100	$ -	$ 1,959,100
Accounts Payable and Accrued Expenses	3,118,852	445,613	35,022	3,599,487	(833,712)	2,765,775
Operating Lease Liabilities	572,752	-	-	572,752	-	572,752
Financing Lease Obligations	-	69,565	-	69,565	-	69,565
Deferred Revenue	633,762	1,029	-	634,791	-	634,791
Deferred Governmental Grants	703,641	-	-	703,641	-	703,641
Total Liabilities	6,958,719	545,595	35,022	7,539,336	(833,712)	6,705,624
NET ASSETS						
Without Donor Restrictions	16,401,837	700,025	4,654,132	21,755,994	-	21,755,994
With Donor Restrictions	3,292,222	-	-	3,292,222	-	3,292,222
Total Net Assets	19,694,059	700,025	4,654,132	25,048,216	-	25,048,216
Total Liabilities and Net Assets	$ 26,652,778	$ 1,245,620	$ 4,689,154	$ 32,587,552	$ (833,712)	$ 31,753,840

(See Independent Auditors' Report on Supplementary Information)

	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 ACTIVITIES AND CHANGES IN NET ASSETS

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

For the Year Ended June 30, 2023

	SVDP	Enterprises	Foundation	Subtotal	Eliminations	Consolidated
REVENUE AND SUPPORT						
Contributions and Grants	$ 3,001,476	$ 131,311	$ -	$ 3,132,787	$ (220,525)	$ 2,912,262
Government Grants	23,022,564	535,516	-	23,558,080	-	23,558,080
Donated Food, Services, and Occupancy	2,830,215	-	-	2,830,215	-	2,830,215
Program Income and Sales	67,870	2,770,616	-	2,838,486	(1,399,167)	1,439,319
Investment Income, Net	154,661	-	355,997	510,658	-	510,658
Miscellaneous	67,478	188,941	-	256,419	(42,000)	214,419
Total Revenue and Support	29,144,264	3,626,384	355,997	33,126,645	(1,661,692)	31,464,953
EXPENSES						
Program Services	23,423,457	3,922,756	220,525	27,566,738	(1,619,692)	25,947,046
Management and General	3,247,778	42,000	-	3,289,778	(42,000)	3,247,778
Fundraising	673,776	-	-	673,776	-	673,776
Total Expenses	27,345,011	3,964,756	220,525	31,530,292	(1,661,692)	29,868,600
Change in Net Assets Before Depreciation Expense	1,799,253	(338,372)	135,472	1,596,353	-	1,596,353
DEPRECIATION EXPENSE	644,370	104,640	-	749,010	-	749,010
Change in Net Assets	1,154,883	(443,012)	135,472	847,343	-	847,343
NET ASSETS – BEGINNING OF YEAR	18,539,176	1,143,037	4,518,660	24,200,873	-	24,200,873
NET ASSETS – END OF YEAR	$ 19,694,059	$ 700,025	$ 4,654,132	$ 25,048,216	$ -	$ 25,048,216

(See Independent Auditors' Report on Supplementary Information)

	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	3,072,841	-	-	3,072,841	-	3,072,841
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	30,028,601	4,231,800	(520,720)	33,739,681	(1,681,504)	32,058,177
EXPENSES						
Program Services	28,573,304	4,053,133	292,072	32,918,509	(1,639,504)	31,279,005
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	32,235,083	4,095,133	292,072	36,622,288	(1,681,504)	34,940,784
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)