



Society of St. Vincent de Paul Georgia, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021



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REPORT





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INDEPENDENT AUDITORS' REPORT

Board of Directors of
Society of St. Vincent de Paul Georgia, Inc.

Report on the Audits of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Society of St. Vincent de Paul Georgia, Inc. (the Society) (a non-profit organization), which comprise the consolidated statement of financial position as of September 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Society as of September 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The consolidated financial statements of Society of St. Vincent de Paul Georgia, Inc. as of September 30, 2021 were audited by other auditors whose report dated November 30, 2021 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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 Society's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether these 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 for 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 audits.
- Identify and assess the risks of material misstatement of these 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 financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Society'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 Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
January 30, 2023



FINANCIAL STATEMENTS



Society of St. Vincent de Paul Georgia, Inc.
Consolidated Statements of Financial Position

<i>September 30,</i>	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 4,792,267	\$ 4,561,036
Accounts receivable, net	397,693	228,531
Unconditional promises to give, net	185,061	421,493
Inventory	965,576	905,517
Prepaid expenses and other assets	70,745	76,281
Total current assets	6,411,342	6,192,858
Non-current assets		
Note receivable	5,297,250	5,297,250
Beneficial interest in assets held by foundation	654,757	752,885
Property and equipment, net	7,553,704	7,412,023
Cemetery lots and mausoleum spaces	196,192	187,927
Total non-current assets	13,701,903	13,650,085
Total assets	\$ 20,113,245	\$ 19,842,943
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 181,448	\$ 252,789
Accrued liabilities	88,228	151,471
Refundable advance	43,575	164,451
Deferred revenue	125,999	129,420
Other liabilities	90,535	71,570
Current portion of notes payable	90,000	-
Total current liabilities	619,785	769,701
Long-term liabilities		
Notes payable, less current portion	7,692,686	7,899,309
Total long-term liabilities	7,692,686	7,899,309
Total liabilities	8,312,471	8,669,010
Net assets		
Without donor restrictions	11,028,917	9,976,432
With donor restrictions	771,857	1,197,501
Total net assets	11,800,774	11,173,933
Total liabilities and net assets	\$ 20,113,245	\$ 19,842,943

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

Society of St. Vincent de Paul Georgia, Inc.
Consolidated Statements of Activities

<i>For the year ended September 30, 2022</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Individuals, private foundation, grants and corporations	\$ 13,324,175	\$ -	\$ 13,324,175
Program contributions	-	-	-
Capital campaign contributions	-	113,186	113,186
In-kind donations	5,502,894	-	5,502,894
Fundraising events, net of expenses	484,526	-	484,526
Annual collection	242,355	-	242,355
Estates and memorials	256,425	-	256,425
Thrift store sales	3,983,536	-	3,983,536
Rental income	164,466	-	164,466
Other interest	83,605	-	83,605
Net assets released from restrictions	460,302	(460,302)	-
Total revenue and other support	24,502,284	(347,116)	24,155,168
Expenses			
<i>Program services</i>			
Programs and Services	18,478,621	-	18,478,621
Thrift Store Operations	2,615,479	-	2,615,479
Total program services	21,094,100	-	21,094,100
<i>Supporting services</i>			
General and administrative	1,517,600	-	1,517,600
Fundraising	772,755	-	772,755
Total supporting services	2,290,355	-	2,290,355
Total expenses	23,384,455	-	23,384,455
Change in net assets before change in value of beneficial interest and transfer of net assets to beneficial interest	1,117,829	(347,116)	770,713
Change in value of beneficial interest	-	(143,872)	(143,872)
Transfer of net assets to beneficial interest	(65,344)	65,344	-
Change in net assets	1,052,485	(425,644)	626,841
Net assets at beginning of year	9,976,432	1,197,501	11,173,933
Net assets at end of year	\$ 11,028,917	\$ 771,857	\$ 11,800,774

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

Society of St. Vincent de Paul Georgia, Inc.
Consolidated Statements of Activities (Continued)

<i>For the year ended September 30, 2021</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Individuals, private foundation, grants and corporations	\$ 14,063,143	\$ -	\$ 14,063,143
Program contributions	-	72,744	72,744
Capital campaign contributions	-	229,816	229,816
In-kind donations	4,155,031	-	4,155,031
Fundraising events, net of expenses	229,500	-	229,500
Annual collection	223,240	-	223,240
Estates and memorials	252,468	-	252,468
Thrift store sales	3,538,958	-	3,538,958
Rental income	137,799	-	137,799
Other interest	66,564	-	66,564
Net assets released from restrictions	835,492	(835,492)	-
Total revenue and other support	23,502,195	(532,932)	22,969,263
Expenses			
<i>Program services</i>			
Programs and Services	16,652,858	-	16,652,858
Thrift Store Operations	2,824,685	-	2,824,685
Total program services	19,477,543	-	19,477,543
<i>Supporting services</i>			
Administration	1,252,142	-	1,252,142
Fundraising	618,948	-	618,948
Total supporting services	1,871,090	-	1,871,090
Total expenses	21,348,633	-	21,348,633
Change in net assets before change in value of beneficial interest	2,153,562	(532,932)	1,620,630
Change in value of beneficial interest	-	124,189	124,189
Change in net assets	2,153,562	(408,743)	1,744,819
Net assets at beginning of year	7,822,870	1,606,244	9,429,114
Net assets at end of year	\$ 9,976,432	\$ 1,197,501	\$ 11,173,933

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

Society of St. Vincent de Paul Georgia, Inc.
Consolidated Statements of Functional Expenses

For the year ended September 30, 2022

	Program Services			Supporting Services		Total
	Programs and Services	Thrift Store Operations	Programs Subtotal	General and Administrative	Fundraising	
Salaries	\$ 835,981	\$ 891,630	\$ 1,727,611	\$ 580,218	\$ 443,226	\$ 2,751,055
Payroll taxes and benefits	171,931	186,490	358,421	119,406	70,852	548,679
Direct aid	16,791,149	44,194	16,835,343	-	-	16,835,343
Rent	-	925,781	925,781	-	-	925,781
Utilities	43,869	281,059	324,928	41,472	933	367,333
Professional fees	-	-	-	141,797	45,628	187,425
Supplies	61,378	59,652	121,030	40,124	4,193	165,347
Bank fees	-	93,792	93,792	270	27,553	121,615
Dues and subscriptions	57,793	-	57,793	9,140	1,709	68,642
Travel	16,683	462	17,145	31,961	938	50,044
Printing	1,709	-	1,709	24,458	17,726	43,893
Advertising	3,277	7,295	10,572	22,134	79,658	112,364
Repairs and maintenance	67,545	105,373	172,918	34,666	3,365	210,949
Technology	26,135	-	26,135	90,881	17,909	134,925
Insurance	32,472	-	32,472	29,715	669	62,856
Auto expense	58,651	2,021	60,672	-	-	60,672
Postage	11,657	-	11,657	8,188	1,733	21,578
Training	2,692	319	3,011	11,520	5,029	19,560
Non-direct aid	109,895	14,417	124,312	61,908	-	186,220
Interest	41,935	-	41,935	49,180	4,308	95,423
Property tax	-	-	-	51,837	-	51,837
Bad debt	-	-	-	-	43,529	43,529
Depreciation and amortization	143,869	2,994	146,863	168,725	3,797	319,385
Total	\$ 18,478,621	\$ 2,615,479	\$ 21,094,100	\$ 1,517,600	\$ 772,755	\$ 23,384,455

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

Society of St. Vincent de Paul Georgia, Inc.
Consolidated Statements of Functional Expenses (Continued)

For the year ended September 30, 2021

	Program Services			Supporting Services		Total
	Programs and Services	Thrift Store Operations	Programs Subtotal	General and Administrative	Fundraising	
Salaries	\$ 470,004	\$ 923,888	\$ 1,393,892	\$ 291,427	\$ 429,188	\$ 2,114,507
Payroll taxes and benefits	44,244	66,402	110,646	277,946	28,940	417,532
Direct aid	15,576,787	257,350	15,834,137	-	-	15,834,137
Rent	-	917,777	917,777	-	-	917,777
Utilities	36,259	257,611	293,870	42,524	957	337,351
Professional fees	1,096	-	1,096	99,024	6,405	106,525
Supplies	30,205	90,712	120,917	30,929	867	152,713
Bank fees	821	84,248	85,069	34,064	8,689	127,822
Dues and subscriptions	594	189	783	62,062	605	63,450
Travel	775	2,739	3,514	16,021	-	19,535
Printing	9,689	407	10,096	10,573	7,753	28,422
Advertising	2,507	7,394	9,901	21,774	73,443	105,118
Repairs and maintenance	20,396	71,280	91,676	23,920	538	116,134
Technology	28,708	-	28,708	54,947	11,151	94,806
Insurance	13,585	-	13,585	13,609	306	27,500
Auto expense	21,230	40,432	61,662	3,917	-	65,579
Postage	2,853	190	3,043	5,631	1,472	10,146
Training	428	-	428	10,545	3,782	14,755
Non-direct aid	208,818	89,175	297,993	1,369	-	299,362
Interest	46,921	7,706	54,627	55,027	1,238	110,892
Property tax	-	-	-	35,580	-	35,580
Bad debt	-	-	-	-	40,000	40,000
Depreciation and amortization	136,938	7,185	144,123	161,253	3,614	308,990
Total	\$ 16,652,858	\$ 2,824,685	\$ 19,477,543	\$ 1,252,142	\$ 618,948	\$ 21,348,633

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

Society of St. Vincent de Paul Georgia, Inc.
Consolidated Statements of Cash Flows

<i>For the years ended September 30,</i>	2022	2021
Operating Activities		
Change in net assets	\$ 626,841	\$ 1,744,819
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	319,385	308,990
Contributions and pledges restricted for long-term purposes	(113,186)	(269,816)
Bad debt expense	43,529	40,000
Donated cemetery lots	(8,265)	-
Change in value of beneficial interest	143,872	(124,189)
Forgiveness of Paycheck Protection Program Loan	-	(383,400)
Changes in operating assets and liabilities		
Accounts receivable	(169,162)	8,665
Inventory	(60,059)	(220,463)
Other assets	5,536	(43,481)
Accounts payable	(71,341)	(4,721)
Accrued expenses	(63,243)	(16,578)
Refundable advance	(120,876)	164,451
Deferred revenue	(3,421)	90,439
Other liabilities	18,965	32,330
Net cash provided by (used in) operating activities	548,575	1,327,046
Investing Activities		
Purchase of property and equipment	(461,066)	(188,802)
Transfers to beneficial interest in assets held by foundation	(65,344)	-
Distributions from beneficial interest in assets held by foundation	19,600	14,217
Net cash provided by (used in) investing activities	(506,810)	(174,585)
Financing Activities		
Net payments on line of credit	-	(265,702)
Cash collected for long-term purposes	306,089	758,801
Borrowings on notes payable	275,000	-
Principal payments on notes payable	(391,623)	(833,203)
Net cash provided by (used in) financing activities	189,466	(340,104)
Net change in cash and cash equivalents	231,231	812,357
Cash and cash equivalents at beginning of year	4,561,036	3,748,679
Cash and cash equivalents at end of year	\$ 4,792,267	\$ 4,561,036
Schedule of Certain Cash Flow Information		
Cash paid for interest	\$ 95,423	\$ 112,775

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

Society of St. Vincent de Paul Georgia, Inc.

Notes to the Consolidated Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

The Society of St. Vincent de Paul Georgia, Inc. (the Society) is a nonprofit organization that was founded in 1903 by a group of concerned Catholic parishioners in Atlanta, Georgia. The Society of St. Vincent de Paul Georgia, Inc. (the Society) has grown to become the oldest, largest and most trusted state-wide social services safety net in Georgia. The Society is part of an international organization of Catholic lay people. The Society operates a main service center in Chamblee (the Council) with a full-time staff providing programs and services for neighbors in need and 73 local service hubs across the state staffed by 3,000+ trained volunteer caseworkers who make the Society's critically needed, yet otherwise unavailable, programs and services available and accessible to those most in need of them. Focusing on hunger, housing and health, the Society's work addresses issues fundamental to stability, self-sufficiency and long-term success by:

- Increasing housing stability
- Increasing healthcare access
- Decreasing hunger/food insecurity

The Society also operates 11 thrift stores throughout Georgia where clients may redeem vouchers for free clothing, furniture and household goods. The proceeds from stores are used to help families in need with financial assistance. The activities and account balances of the Council, conferences, thrift stores, and the entities created as part of the New Markets Tax Credit transaction, as further discussed below, are included in these consolidated financial statements.

As further discussed in Note 11, the Society was required to form additional entities in accordance with the New Markets Tax Credit funding for the purchase and renovation of the building. In May 2019, a new limited liability company, the 2050 SVDP, LLC, was formed to hold funds and collect rental income. In November 2019, a new 501(c)(3), the SVDP Georgia Support Organization, Inc., was formed, and at that time, the building and other property were transferred to this new entity.

In June 2020, the SVDP Georgia Community Pharmacy, LLC (the Pharmacy) was formed and was opened to the public in February 2021. The Pharmacy is consolidated in these financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the depreciable lives of furniture, fixtures and equipment and the allocation of functional expenses.

Society of St. Vincent de Paul Georgia, Inc. Notes to the Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Society of St. Vincent de Paul Georgia, Inc., SVDP Georgia Support Organization, Inc. and SVDP Georgia Community Pharmacy, LLC as of September 30, 2022 and 2021 and for the years then ended. All significant intercompany accounts and transactions have been eliminated.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Restricted Cash

Amounts included in restricted cash represent those required to be set aside by donors for specific purposes. Restricted cash included in other long-term assets on the statement of financial position represents amounts held for long-term financing arrangements related to capital improvements and equipment purchases.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Society provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of members to meet their obligations.

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Society's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. 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 more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Inventory

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the statement of activities in the period in which it occurs.

Society of St. Vincent de Paul Georgia, Inc. Notes to the Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cemetery Lots and Mausoleum Spaces

Cemetery lots and mausoleum spaces are donated to the Society and are recorded at fair value at the date of donation. During the year ended September 30, 2022, the Society received a total of \$8,265 in donated cemetery lots. There were no lots donated to the Society during the year ended September 30, 2021.

Beneficial Interest in Assets Held by the Foundation

The Society is the beneficiary of a certain endowment fund held and administered by the Catholic Foundation of North Georgia (the Foundation), the purpose of which is to support the operations, ministries, and capital needs of the Society. The Foundation has ownership and control of the endowment fund. Pursuant to financial accounting standards, the value of the Society's interest is valued at the net present value of the Society's expected future cash flows from the fund and has been recorded as net assets with donor restrictions and related beneficial interest in assets held by the Foundation in the financial statements.

Property and Equipment

All acquisitions of property and equipment in excess of \$2,500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Net Assets

The Society reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Society, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Society of St. Vincent de Paul Georgia, Inc.
Notes to the Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

State and federal program service fees and payments under various contracts are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied.

Contributions and local grants are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Donated Services, Property and Goods

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Society. Volunteers provided meal preparation services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

During the fiscal years ended September 30, 2022 and 2021, donations of specialized services were received and recorded. Also, the Society received donations of vehicles, clothing and food for both sale and free distribution to clients.

Donated property, services and goods consist of the following for the years ending September 30:

<i>September 30,</i>	2022	2021
Clothing and food	\$ 3,724,968	\$ 3,354,587
Cemetery lots	8,265	-
Furniture - for resale or donation	150,370	118,241
Specialized services	1,874	534
Pharmacy prescriptions	1,351,486	504,387
Other in-kind - conferences	265,931	177,282
Total donated services, property and goods	\$ 5,502,894	\$ 4,155,031

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Salaries and wages, payroll taxes and benefits, supplies, printing, insurance, and postage are allocated based on estimates of time and effort in each functional area. Expenses related to utilities, repairs and maintenance, and depreciation and amortization, are allocated based on estimates of square footage.

Advertising

The Society uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended September 30, 2022 and 2021, advertising costs totaled approximately \$112,000 and \$105,000, respectively.

Society of St. Vincent de Paul Georgia, Inc. Notes to the Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Society is exempt from taxes on income other than unrelated business income.

The Society utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of September 30, 2022 and 2021, the Society has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 30, 2023, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This change in accounting principal did not have an effect on the financial statements.

Accounting Guidance Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Society is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

Note 3: RECLASSIFICATION

As of October 1, 2020, beneficial interest in assets held at the Foundation of \$232,913 was reclassified from net assets without donor restrictions to net assets with donor restrictions perpetual in nature resulting in a reclassification in net assets. See Note 8 for further information.

Society of St. Vincent de Paul Georgia, Inc.
Notes to the Consolidated Financial Statements

Note 4: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Society maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Society's expenditures come due. The following reflects the Society's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<i>September 30,</i>	2022	2021
Total assets at year end	\$ 20,113,245	\$ 19,842,943
Less non-financial assets		
Inventory	(965,576)	(905,517)
Prepaid expenses and other assets	(70,745)	(76,281)
Note receivable	(5,297,250)	(5,297,250)
Property and equipment, net	(7,553,704)	(7,412,023)
Cemetery lots and mausoleum spaces	(196,192)	(187,927)
Financial assets at year-end	6,029,778	5,963,945
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Contractually restricted cash	(230,268)	(306,308)
Capital campaign promises to give, net	(185,061)	(421,493)
Beneficial interest in assets held by foundation	(654,757)	(752,885)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,959,692	\$ 4,483,259

The Society is principally supported by contributions. The goal of the Society is to maintain available financial assets to meet its next 60 days of operating expenses. In the event of unanticipated liquidity needs, the Society has a line of credit with available borrowings of \$300,000, as further discussed in Note 12.

Note 5: CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash, cash equivalents and restricted cash consist of the following:

<i>September 30,</i>	2022	2021
Cash without donor restrictions	\$ 4,561,999	\$ 4,248,134
Cash with donor restrictions	-	6,594
Cash with contractual restrictions for buildings and improvements	230,268	306,308
Cash, cash equivalents, and restricted cash	\$ 4,792,267	\$ 4,561,036

Society of St. Vincent de Paul Georgia, Inc.
Notes to the Consolidated Financial Statements

Note 6: ACCOUNTS RECEIVABLE AND PROMISES TO GIVE

Accounts receivable consist of the following:

<i>September 30,</i>	2022	2021
Accounts receivable	\$ 297,798	\$ 205,528
Grants receivable	95,288	23,003
Other receivable	4,607	-
Total accounts receivable	397,693	228,531
Less allowance for doubtful accounts	-	-
Accounts receivable, net	\$ 397,693	\$ 228,531

Promises to give consist of the following:

<i>September 30,</i>	2022	2021
Receivable within one year	\$ 185,061	\$ 415,332
Receivable in one to three years	-	6,161
Unconditional promises to give, net	\$ 185,061	\$ 421,493

Bad debts expense totaled \$43,529 and \$40,000 for the years ended September 30, 2022 and 2021, respectively.

Note 7: INVENTORY

Inventory consists of the following:

<i>September 30,</i>	2022	2021
Thrift stores inventory	\$ 701,036	\$ 717,842
Pharmacy inventory	264,540	187,675
Total inventory	\$ 965,576	\$ 905,517

Society of St. Vincent de Paul Georgia, Inc.
Notes to the Consolidated Financial Statements

Note 8: BENEFICIAL INTEREST IN ASSETS HELD BY THE FOUNDATION

During fiscal year 2012, an endowment was established by a third party, the Catholic Foundation of North Georgia (the Foundation) (Note 2), for the purpose of providing a permanent endowment to support the operations, ministries, and capital needs of the Society. The Foundation has ultimate authority and control over the endowment fund (the Fund) and it is subject to the investing and spending policies of the Foundation. However, the Society is the beneficiary of these funds and is entitled to receive distributions after the endowment reaches a specified target amount of \$50,000, subject to the Foundation's spending policy. Pursuant to financial accounting standards, the Fund has been recognized as a beneficial interest in the assets held by the Foundation in the accompanying statements of financial position at the net present value of expected future cash flows from the Fund.

Note 9: PROPERTY AND EQUIPMENT

The components of property and equipment at September 30, 2022 and 2021, are as follows:

	Estimated Useful Lives (in years)	2022	2021
Building	30	\$ 7,245,314	\$ 6,878,222
Building and leasehold improvements	5-10	214,461	206,204
Equipment	3-10	435,678	386,056
Vehicles	5	142,549	150,799
Computer equipment	3	128,325	102,187
Security system	5	16,361	16,361
Furniture and fixtures	5-10	171,513	137,115
		8,354,201	7,876,944
Less accumulated depreciation		(1,378,197)	(1,114,982)
		6,976,004	6,761,962
Land		577,700	577,700
Construction in process		-	72,361
Property and equipment, net		\$ 7,553,704	\$ 7,412,023

Depreciation expense for the years ended September 30, 2022 and 2021 amounted to \$319,385 and \$308,990, respectively.

Note 10: NOTE RECEIVABLE

During 2020, the Society entered into a note receivable with an investment fund to facilitate the New Markets Tax Credit transaction as described in Note 11. The note receivable totaled \$5,297,250 with an interest rate of 1.00% as of both September 30, 2022 and 2021. The maturity date is January 31, 2048. Interest income will be received quarterly through December 2026, at which time annual principal and interest payments will be received thereafter through the maturity date.

Society of St. Vincent de Paul Georgia, Inc.
Notes to the Consolidated Financial Statements

Note 11: LONG-TERM DEBT

Long-term debt at September 30, 2022 and 2021, consists of the following:

<i>September 30,</i>	2022	2021
Building loan with interest at libor rate plus 1.8% (5.05% and 6.80% at September 30, 2022 and 2021); interest only payments through maturity date of June 2024; collateralized by a security lien on the building, assignment of capital campaign pledge proceeds, and a double negative pledge on all assets.	\$ 172,686	\$ 549,309
Note payable to a financial institution in the amount of \$275,000, fixed interest rate of 2.070%; monthly payments of principal of \$7,500 plus interest for 35 months; final principal and interest payment of \$12,522 due July 8, 2025.	260,000	-
Note payable with an entity, fixed interest rate of 1.00%; quarterly interest payments due; principal plus accrued interest due January 31, 2050; collateralized by all assets held by SVDP Georgia Support Organization, Inc.	2,052,750	2,052,750
Note payable with an entity, fixed interest rate of 1.00%; quarterly interest payments due; principal plus accrued interest due January 31, 2050; collateralized by all assets held by SVDP Georgia Support Organization, Inc.	5,297,250	5,297,250
Long-term debt less unamortized debt issuance costs	7,782,686	7,899,309
Less current portion	(90,000)	-
Long-term debt, less current portion	\$ 7,692,686	\$ 7,899,309

Interest expense related to the note payables was \$95,423 and \$110,892 for the years ended September 30, 2022 and 2021, respectively.

Maturities of long-term debt subsequent to September 30, 2022, are as follows:

<i>For the years ending September 30,</i>		
2023	\$	90,000
2024		262,686
2025		80,000
2026		-
2027		7,350,000
Total	\$	7,782,686

Society of St. Vincent de Paul Georgia, Inc.
Notes to the Consolidated Financial Statements

Note 11: LONG-TERM DEBT (Continued)

The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to attract investment capital to low-income communities by permitting investors to receive tax credit incentives in exchange for making equity investments in certified Community Development Entities (CDE). Under this program, certain commercial banks and other investors are able to subsidize eligible projects that meet the NMTC Program requirements.

In November 2019, a new 501(c)(3) company, the SVDP Georgia Support Organization, Inc., was formed to hold funds and certain properties transferred to it by the Society, including the building during the seven-year term of the New Market Tax Credit program. This transaction closed on January 31, 2020. Capital campaign funds and NMTC proceeds received under the NMTC Program have been disbursed to purchase and renovate the building that the Society is currently located in.

In January 2020, as part of the NMTC agreement, the building and related improvements were transferred to the SVDP Georgia Support Organization, Inc. At the completion of the NMTC agreement in seven years, these properties will be transferred back to the Society of St. Vincent de Paul Georgia, Inc.

On January 31, 2020, to benefit under the NMTC Program, the Society entered into a series of agreements and transactions with a CDE and an investment fund affiliated with a commercial bank (the Bank). The CDE provided funds towards the renovation of the facility and other capital projects. Notes payable to the CDE totaled \$2,052,750 and \$5,297,250. The Society of St. Vincent de Paul Georgia, Inc. facilitated the transaction by issuing a note receivable agreement that transferred \$5,297,250 to the investment fund using proceeds from the capital campaign. Cash received from this transaction remaining at September 30, 2022 and 2021 was \$230,268 and \$306,308, respectively, and is shown as contractually restricted net assets on the Consolidated Statements of Financial Position.

Note 12: LINE OF CREDIT

The Society maintains a line of credit agreement with a financial institution. Available borrowings related to the agreement are \$300,000, with an interest rate of 8.50%, secured by all assets of the Society. The credit line expires in 2023 and renews annually. The outstanding balance as of September 30, 2022 and 2021 was \$-0- for each date.

Note 13: NET ASSETS

A summary of net assets without donor restrictions follows:

<i>September 30,</i>	2022	2021
Available for operations	\$ 10,798,649	\$ 9,670,124
Contractually restricted	230,268	306,308
Total net assets without donor restrictions	\$ 11,028,917	\$ 9,976,432

Society of St. Vincent de Paul Georgia, Inc.
Notes to the Consolidated Financial Statements

Note 13: NET ASSETS (Continued)

A summary of net assets with donor restrictions follows:

<i>September 30,</i>	2022	2021
Purpose restricted		
Women's shelter	\$ -	\$ 6,594
Capital campaign pledges	117,100	438,022
Total purpose restrictions	117,100	444,616
Perpetual restrictions for operations	654,757	752,885
Total net assets with donor restrictions	\$ 771,857	\$ 1,197,501

A summary of the release of donor restrictions follows:

<i>For the years ended September 30,</i>	2022	2021
Purpose restriction accomplished		
Transitional housing	\$ -	\$ 43,650
Food distribution program	-	24,611
Journey program	-	10,730
Women's shelter	6,594	-
Capital campaign funds	434,108	742,284
Total purpose restriction accomplished	440,702	821,275
Distribution from beneficial interest in assets held by foundation	19,600	14,217
Total net assets released from donor restrictions	\$ 460,302	\$ 835,492

Note 14: REVENUE

Contributions and awards, thrift store sales, and fundraising events are accounted for in accordance with ASC 606. The agreements for government awards and support are generally for a duration of one year and the related revenue is recorded at a point in time. Program service fees are related to thrift store sales and are recorded at a point in time.

Society of St. Vincent de Paul Georgia, Inc.
Notes to the Consolidated Financial Statements

Note 14: REVENUE (Continued)

Disaggregated Revenue

A summary of disaggregated revenue information follows:

<i>For the years ended September 30,</i>	2022	2021
Contracts with customers		
Recognized at a point of time - thrift store sales	\$ 3,983,536	\$ 3,538,958
Contributions and awards		
Individuals, private foundation, grants and corporations	13,324,175	14,063,143
Program contributions	-	72,744
Capital campaign contributions	113,186	229,816
In-kind donations	5,502,894	4,155,031
Annual collection	242,355	223,240
Estates and memorials	256,425	252,468
Total contributions and awards	19,439,035	18,996,442
Fundraising events, net of expenses	484,526	229,500
Rental income	164,466	137,799
Other interest	83,605	66,564
Total revenue	\$ 24,155,168	\$ 22,969,263

Note 15: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- 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; or
 - can be corroborated by observable market data.

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.

Society of St. Vincent de Paul Georgia, Inc.
Notes to the Consolidated Financial Statements

Note 15: FAIR VALUE MEASUREMENTS (Continued)

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

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2022 and 2021.

Beneficial interest in assets held by the Foundation - the fair value of beneficial interest in assets held by the Foundation (Notes 2 and 8) is based upon the net present value of the Society's expected future cash flows. The Society does not have the ability to redeem this beneficial interest and withdrawals are limited to the terms of the Society's agreement with the Foundation.

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

Assets and liabilities measured at fair value on a recurring basis, are summarized for the years ended September 30, 2022 and 2021:

<i>September 30, 2022</i>	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by foundation	\$ -	\$ -	\$ 654,757	\$ 654,757

<i>September 30, 2021</i>	Level 1	Level 2	Level 3	Total
Beneficial interest in assets held by foundation	\$ -	\$ -	\$ 752,885	\$ 752,885

The following is a reconciliation of the change in fair value for the years ended September 30, 2022 and 2021 for Level 3:

<i>September 30,</i>	2022	2021
Beneficial interest in assets held by foundation		
Balance, beginning of year	\$ 752,885	\$ 642,913
Transfer to endowment fund	65,344	-
Disbursement from endowment fund	(19,600)	(14,217)
Change in value	(143,872)	124,189
Balance, end of year	\$ 654,757	\$ 752,885

Society of St. Vincent de Paul Georgia, Inc.
Notes to the Consolidated Financial Statements

Note 15: FAIR VALUE MEASUREMENTS (Continued)

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended September 30, 2022 and 2021, there were no transfers in or out of Levels 1, 2 or 3.

Note 16: CONCENTRATIONS OF CREDIT RISK

The Society maintains cash deposits with financial institutions at September 30, 2022 and 2021 in excess of federally insured limits of \$1,405,887 and \$795,715, respectively. The balances in the demand account at the Archdiocese at September 30, 2022 and 2021 of \$25,169 and \$8,785, respectively, are not insured by the FDIC.

Note 17: COMMITMENTS AND CONTINGENCIES

The Society leases certain office equipment accounted for as operating leases. The leases expire in various years through 2024.

Minimum lease payments under noncancellable operating leases are as follows:

For the years ending September 30,

2023	\$	640,788
2024		501,058
2025		229,093
2026		209,223
2027		78,689
2028		13,115
Total future minimum lease payments		\$ 1,671,966

Rent expense for the years ended September 30, 2022 and 2021 was \$925,781 and \$917,777, respectively.

Certain grants and contracts often require the fulfillment of certain conditions as set forth in the instrument or agreement. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the return of funds is a possibility, management of the Society deems the contingency unlikely. The grants and contracts are subject to audit by the grantor, or in the case of federal funds, the Federal Government. They have the authority to determine liabilities or limit or suspend participation in the various sponsored programs.

The Society is subject to legal actions arising in the ordinary course of business. In management's opinion, the Society has adequate legal defense and insurance with respect to such actions and their final outcome would not materially affect the Society's operations or financial position.

Society of St. Vincent de Paul Georgia, Inc.
Notes to the Consolidated Financial Statements

Note 18: OPERATING LEASE INCOME

The Society has entered into agreements to lease space in its Council office building. These leases are treated as operating leases within the Society's consolidated financial statements. Rental income applicable to these leases for the years ended September 30, 2022 and 2021 was \$164,466 and \$137,799, respectively. Future minimum rentals to be received under these non-cancelable lease agreements subsequent to September 30, 2022 are as follows:

For the years ending September 30,

2023	\$	183,637
2024		189,112
2025		194,800
2026		105,425
2027		44,750
Total future minimum lease income payments		\$ 717,724

Property related to leases for the Society consist of the following at September 30, 2022:

Building	\$	3,473,000
Less: related accumulated depreciation		(275,940)
Total cost of leased property and equipment, net		\$ 3,197,060

The cost of the leased building and accumulated depreciation are included in Note 9.

Note 19: EMPLOYEE BENEFIT PLAN

The Society offers a retirement plan operated under section 401(k) of the Internal Revenue Code. Employees are eligible for participation on the first day of the month following 90 days from their hire date. There is a minimum service requirement of 250 hours and 21 years of age for participation. In addition, employees can voluntarily contribute up to the maximum allowed by law to the retirement plan. For the fiscal years ended September 30, 2022 and 2021, the Society contributed 3% of each eligible employee's salary and matched 100% of employee contributions up to 3%. Employees Safe Harbor contributions vest from date of plan enrollment, and the Society's match vests after 3 years. The Society's contribution to the retirement plan for the years ended September 30, 2022 and 2021 totaled \$109,218 and \$83,250, respectively.

Note 20: RELATED PARTY TRANSACTIONS

The Society annually remits dues to the National Council of the United States Society of St. Vincent de Paul. During the years ended September 30, 2022 and 2021, \$56,250 and \$54,198, respectively, was paid to the National Council. There were no amounts due to the National Council as of September 30, 2022 and 2021.

Society of St. Vincent de Paul Georgia, Inc.
Notes to the Consolidated Financial Statements

Note 21: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, broad domestic and international stock market indices have declined and the Society's fair value of investments has declined similarly. Such declines in the fair value of investments held by the Society may materially and adversely impact the Society's ability to achieve its investment objectives and therefore, its operational objectives. In addition, the extent to which these events will affect the amounts reported in future financial statements remains uncertain.