Society of St. Vincent de Paul Georgia, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2024 and 2023

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REPORT

CARR, RIGGS & INGRAM, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audits of the Consolidated 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 statements of financial position as of September 30, 2024 and 2023 and the related consolidated statements of activities, 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 present fairly, in all material respects, the consolidated financial position of the Society as of September 30, 2024 and 2023 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's 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 opinions.

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; 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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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 consolidated 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, L.L.C.

Atlanta, Georgia
February 25, 2025

FINANCIAL STATEMENTS

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

September 30,	**2024**	2023
Assets		
Current assets		
Cash and cash equivalents	**$ 3,470,265**	$ 3,715,253
Accounts receivable	**84,268**	31,201
Promises to give	**17,612**	73,584
Inventory	**1,539,404**	1,174,582
Prepaid expenses and other assets	**103,129**	111,904
Total current assets	**5,214,678**	5,106,524
Non-current assets		
Restricted cash	**127,791**	172,380
Note receivable	**5,297,250**	5,297,250
Beneficial interest in assets held by Foundation	**842,886**	711,099
Operating lease right-of-use assets, net	**2,292,249**	2,961,128
Property and equipment, net	**7,365,679**	7,497,040
Cemetery lots and mausoleum spaces	**196,192**	196,192
Total non-current assets	**16,122,047**	16,835,089
Total assets	**$ 21,336,725**	$ 21,941,613

(Continued)

September 30,	**2024**	2023
Liabilities and Net Assets		
Current liabilities		
Accounts payable	**$ 234,175**	$ 250,040
Accrued expenses	**181,483**	118,245
Refundable advance	**33,330**	262,070
Other liabilities	**199,410**	64,554
Current portion of long-term debt	**-**	86,608
Line of credit	**97,043**	-
Current portion of operating lease liabilities	**539,890**	546,332
Total current liabilities	**1,285,331**	1,327,849
Long-term liabilities		
Long-term debt, less current portion	**7,375,000**	7,345,666
Line of credit	**-**	97,043
Operating lease liabilities, less current portion	**1,795,923**	2,464,378
Total long-term liabilities	**9,170,923**	9,907,087
Total liabilities	**10,456,254**	11,234,936
Net assets		
Without donor restrictions	**10,019,973**	9,921,994
With donor restrictions	**860,498**	784,683
Total net assets	**10,880,471**	10,706,677
Total liabilities and net assets	**$ 21,336,725**	$ 21,941,613

For the year ended September 30, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions and grants	$ 14,291,703	$ -	**$ 14,291,703**
Capital campaign contributions	-	9,786	**9,786**
Contributions of non-financial assets	11,065,977	-	**11,065,977**
Special events	523,565	-	**523,565**
Annual collection	251,545	-	**251,545**
Thrift store sales	4,502,264	-	**4,502,264**
Rental income	249,974	-	**249,974**
Gain on beneficial interest in assets held by Foundation	-	159,287	**159,287**
Interest income	95,240	-	**95,240**
Net assets released from restrictions	93,258	(93,258)	**-**
Total revenue and other support	31,073,526	75,815	**31,149,341**
Expenses			
Program services			
Hunger, housing and health services	25,866,047	-	**25,866,047**
Thrift store operations	3,172,566	-	**3,172,566**
Total program services	29,038,613	-	**29,038,613**
Supporting services			
General and administrative	1,207,404	-	**1,207,404**
Fundraising	729,530	-	**729,530**
Total supporting services	1,936,934	-	**1,936,934**
Total expenses	30,975,547	-	**30,975,547**
Change in net assets	97,979	75,815	**173,794**
Net assets at beginning of year	9,921,994	784,683	**10,706,677**
Net assets at end of year	$ 10,019,973	$ 860,498	**$ 10,880,471**

For the year ended September 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions and grants	$ 13,417,677	$ -	$ 13,417,677
Capital campaign contributions	-	49,600	49,600
Contributions of non-financial assets	7,498,977	-	7,498,977
Special events	393,484	-	393,484
Annual collection	78,697	-	78,697
Estates and memorials	5,000	-	5,000
Thrift store sales	4,199,923	-	4,199,923
Rental income	226,601	-	226,601
Gain on beneficial interest in assets held by Foundation	-	80,243	80,243
Interest income	230,684	-	230,684
Net assets released from restrictions	117,017	(117,017)	-
Total revenue and other support	26,168,060	12,826	26,180,886
Expenses			
Program services			
Hunger, housing and health services	22,132,569	-	22,132,569
Thrift store operations	2,620,726	-	2,620,726
Total program services	24,753,295	-	24,753,295
Supporting services			
General and administrative	1,780,504	-	1,780,504
Fundraising	741,184	-	741,184
Total supporting services	2,521,688	-	2,521,688
Total expenses	27,274,983	-	27,274,983
Change in net assets	(1,106,923)	12,826	(1,094,097)
Net assets at beginning of year	11,028,917	771,857	11,800,774
Net assets at end of year	$ 9,921,994	$ 784,683	$ 10,706,677

For the year ended September 30, 2024

	Program Services			Supporting Services		
	Hunger, Housing and Health Services	Thrift Store Operations	Programs Subtotal	General and Administrative	Fundraising	Total
Salaries and benefits	$ 2,254,020	$ 1,476,012	$ 3,730,032	$ 524,331	$ 530,532	**$ 4,784,895**
Direct financial aid	12,139,072	-	12,139,072	-	-	**12,139,072**
Direct aid of non-financial assets:						
Medicine	4,230,999	-	4,230,999	-	-	**4,230,999**
Food and groceries	6,261,834	-	6,261,834	-	-	**6,261,834**
Services and other	105,584	40,237	145,821	-	-	**145,821**
Donated professional fees	-	-	-	-	32,500	**32,500**
Rent	-	836,341	836,341	-	-	**836,341**
Utilities	51,012	308,156	359,168	33,464	1,224	**393,856**
Professional fees	40,464	-	40,464	112,415	6,480	**159,359**
Supplies	37,095	143,586	180,681	47,525	3,193	**231,399**
Bank fees	-	113,854	113,854	-	26,421	**140,275**
Dues and subscriptions	64,130	-	64,130	5,262	1,895	**71,287**
Travel	27,693	-	27,693	29,992	5,545	**63,230**
Advertising	24,242	8,783	33,025	249	52,250	**85,524**
Repairs and maintenance	52,286	126,662	178,948	34,300	1,255	**214,503**
Technology	54,597	-	54,597	88,632	27,828	**171,057**
Insurance	48,527	20,199	68,726	27,164	1,165	**97,055**
Fleet expense	68,029	-	68,029	-	-	**68,029**
Printing and postage	40,357	-	40,357	23,352	15,884	**79,593**
Training	13,147	-	13,147	46,647	17,630	**77,424**
Other	114,282	22,360	136,642	-	-	**136,642**
Interest	45,347	14,511	59,858	29,747	1,088	**90,693**
Property taxes	-	-	-	21,044	-	**21,044**
Bad debt	-	-	-	56,456	-	**56,456**
Depreciation and amortization	193,330	61,865	255,195	126,824	4,640	**386,659**
Total	$ 25,866,047	$ 3,172,566	$ 29,038,613	$ 1,207,404	$ 729,530	**$ 30,975,547**

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

For the year ended September 30, 2023

	Program Services			Supporting Services		
	Hunger, Housing and Health Services	Thrift Store Operations	Programs Subtotal	General and Administrative	Fundraising	Total
Salaries and benefits	$ 1,519,085	$ 989,767	$ 2,508,852	$ 845,653	$ 508,982	$ 3,863,487
Direct financial aid	12,681,288	-	12,681,288	-	-	12,681,288
Direct aid of non-financial assets:						
Medicine	2,056,814	-	2,056,814	-	-	2,056,814
Food and groceries	5,070,139	-	5,070,139	-	-	5,070,139
Services and other	28,830	45,000	73,830	67,200	-	141,030
Rent	-	931,712	931,712	-	-	931,712
Utilities	60,263	234,482	294,745	70,674	1,590	367,009
Professional fees	-	-	-	166,446	5,938	172,384
Supplies	49,350	137,529	186,879	34,799	11,168	232,846
Bank fees	-	105,505	105,505	236	33,724	139,465
Dues and subscriptions	61,019	-	61,019	5,748	2,124	68,891
Travel	23,322	-	23,322	26,554	1,846	51,722
Advertising	23,503	42,427	65,930	2,114	119,791	187,835
Repairs and maintenance	59,070	82,393	141,463	69,275	1,559	212,297
Technology	25,724	-	25,724	92,608	9,673	128,005
Insurance	27,178	7,711	34,889	31,874	717	67,480
Fleet expense	76,219	-	76,219	-	-	76,219
Printing and postage	25,420	-	25,420	13,041	22,133	60,594
Training	6,408	21,200	27,608	3,210	16,338	47,156
Other	126,673	23,000	149,673	95,899	-	245,572
Interest	48,056	-	48,056	56,365	1,268	105,689
Property taxes	-	-	-	6,230	-	6,230
Depreciation and amortization	164,208	-	164,208	192,578	4,333	361,119
Total	$ 22,132,569	$ 2,620,726	$ 24,753,295	$ 1,780,504	$ 741,184	$ 27,274,983

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

For the years ended September 30,		**2024**		2023
Operating Activities				
Change in net assets	**$**	**173,794**	$	(1,094,097)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities				
Depreciation and amortization		**386,659**		361,119
Amortization of right-of-use assets		**668,879**		565,484
Contributions and pledges restricted for long-term purposes		**(9,786)**		(49,600)
Contributions of property and equipment		**(30,000)**		-
Change in value of beneficial interest		**(159,287)**		(80,243)
Changes in operating assets and liabilities				
Accounts receivable		**(53,067)**		366,492
Inventory		**(364,822)**		(209,006)
Prepaid expenses and other assets		**8,775**		(41,160)
Accounts payable		**(15,865)**		106,047
Accrued expenses		**63,238**		30,017
Refundable advance		**(228,740)**		92,496
Other liabilities		**134,856**		191
Operating lease liabilities		**(674,897)**		(515,902)
Net cash provided by (used in) operating activities		**(100,263)**		(468,162)
Investing Activities				
Purchase of property and equipment		**(225,298)**		(304,455)
Distributions from beneficial interest in assets held by Foundatior		**27,500**		23,901
Net cash provided by (used in) investing activities		**(197,798)**		(280,554)
Financing Activities				
Cash collected for long-term purposes		**65,758**		93,117
Borrowings on notes payable		**25,000**		-
Principal payments on notes payable		**(82,274)**		(346,078)
Net cash provided by (used in) financing activities		**8,484**		(155,918)
Net change in cash and cash equivalents and restricted cash		**(289,577)**		(904,634)
Cash, cash equivalents and restricted cash, at beginning of year		**3,887,633**		4,792,267
Cash, cash equivalents and restricted cash, at end of year	**$**	**3,598,056**	$	3,887,633

(Continued)

For the years ended September 30,	**2024**	2023
Presented on Consolidated Statements of Financial Position as:		
Cash and cash equivalents	**$ 3,470,265**	$ 3,715,253
Restricted cash	**127,791**	172,380
Cash and cash equivalents at end of year	**$ 3,598,056**	$ 3,887,633
Schedule of Noncash Transactions		
Lease liabilities arising from obtaining right-of-use-assets		
Operating leases	**$ -**	$ 3,626,612
Schedule of Certain Cash Flow Information		
Cash paid for interest	**$ 96,492**	$ 99,883

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 has grown to become one of 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 conducts the following programs:

Hunger, housing and health services – 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 chapters across the state staffed by 3,000+ trained volunteer caseworkers. 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 operates a pharmacy at the main service center in Chamblee (the Council). The pharmacy provides free non-narcotic prescriptions to uninsured or under-insured patients throughout Georgia.

Thrift store operations – The Society also operates nine thrift stores throughout Georgia where neighbors may redeem vouchers for free clothing, furniture and household goods. The profits are directed to local chapters for additional financial assistance. The Society formed an E-commerce store at the Council to sell donated items on various online platforms.

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 discussed below, are included in these consolidated financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Society of St. Vincent de Paul Georgia, Inc., SVDP Georgia Support Organization Inc. (the Support Organization), 2050 SVDP, LLC (2050 SVDP) and SVDP Georgia Community Pharmacy, LLC (the Pharmacy), as of September 30, 2024 and 2023 and for the years then ended (collectively, the Society). The Society has consolidated the Support Organization, 2050 SVDP and the Pharmacy because the organizations have a shared Board of Directors and financial interdependency. All significant intercompany accounts and transactions have been eliminated.

As further discussed in Note 10, 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 where the Society is currently located. 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 (Continued)

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 consolidated 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 consolidated 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 allowance for credit losses, related depreciation of property and equipment, valuation of contributed non-financial assets, amortization of right-of-use assets, determination of discount rate for lease liabilities, fair market value of beneficial interest in assets held by the Catholic Foundation of North Georgia (the Foundation), and the allocation of functional expenses.

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

Restricted cash included in other long-term assets on the consolidated statements of financial position represents amounts held for long-term financing arrangements related to capital improvements and equipment purchases. The restriction will lapse when the funds are spent for those purposes.

Accounts Receivable

Accounts receivable represent amounts owed to the Society which are expected to be collected within twelve months and are presented in the consolidated statements of financial position net of the allowance for credit losses.

Allowance for Credit Losses

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. There was no allowance for credit losses for years ended September 30, 2024 and 2023.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to Give

Conditional promises to give are not recognized in the consolidated 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

Thrift store inventory is stated at the fair value of the goods at the time of the donation. Pharmacy inventory is valued at the average wholesale price, a national standardized rate per medication.

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. There were no lots donated to the Society, nor any lots sold or donated to clients, during the years ended September 30, 2024 and 2023***.***

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 fair market value and has been recorded as net assets with donor restrictions and related beneficial interest in assets held by the Foundation in the consolidated 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 over the estimated useful lives of the assets.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Society leases retail space for its thrift stores. The Society determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the consolidated statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Society uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU assets also include any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Society will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The agreements do not contain any material residual value guarantees or material restrictive covenants.

Net Assets

The Society reports information regarding its consolidated financial position and consolidated 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 consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenue from special events, thrift store sales and payments under various contracts is recognized as revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate. These amounts are included in performance obligation liabilities within the consolidated statements of financial position.

A significant portion of the Society's grants and contracts are from government agencies. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

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 removed the conditions. 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 Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

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 casework and other services throughout the year that are not recognized as contributions in the consolidated financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Salaries and benefits, supplies, printing, and postage are allocated based on estimates of time and effort in each functional area. Expenses related to utilities, repairs and maintenance, interest, insurance and depreciation and amortization, are allocated across functional areas based on a fixed percentage.

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, 2024 and 2023, advertising costs totaled $85,524 and $187,835 respectively.

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. Unrelated business income results from rent from tenants at its Chamblee office building.

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 consolidated 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, 2024 and 2023, the Society has no uncertain tax positions that qualify for recognition or disclosure in the consolidated 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 consolidated financial statements were available to be issued February 25, 2025, 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 consolidated financial statements.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The Organization adopted ASU 2016-13 on October 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in enhanced disclosures only. Please refer to accounts receivables policy.

Note 3: 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 consolidated statements of financial position date, reduced by amounts not available for general use within one year of the consolidated statement of financial position date because of contractual or donor-imposed restrictions.

September 30,	**2024**	2023
Total assets at year end	**$ 21,336,725**	$ 21,941,613
Less non-financial assets		
Inventory	**(1,539,404)**	(1,174,582)
Prepaid expenses and other assets	**(103,129)**	(111,904)
Note receivable	**(5,297,250)**	(5,297,250)
Property and equipment, net	**(7,365,679)**	(7,497,040)
Cemetery lots and mausoleum spaces	**(196,192)**	(196,192)
Operating lease right-of-use assets, net	**(2,292,249)**	(2,961,128)
Financial assets at year-end	**4,542,822**	4,703,517
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Contractually restricted cash	**(127,791)**	(172,380)
Capital campaign promises to give	**(17,612)**	(73,584)
Beneficial interest in assets held by foundation	**(842,886)**	(711,099)
Financial assets available to meet cash needs for general expenditures within one year	**$ 3,554,533**	$ 3,746,454

The Society is principally supported by contributions and grants. The goal of the Society is to maintain available financial assets to meet its next 90 days of operating expenses. In the event of unanticipated liquidity needs, the Society has two lines of credit with available borrowings of $500,000 and $833,000, as further discussed in Note 11.

Note 4: ACCOUNTS RECEIVABLE AND PROMISES TO GIVE

Accounts receivable consist of the following:

September 30,	**2024**	2023
Accounts receivable - recycling	**$ 26,741**	$ 3,693
Grants receivable	**-**	24,895
Other receivable	**57,527**	2,613
Accounts receivable	**$ 84,268**	$ 31,201

Note 4: ACCOUNTS RECEIVABLE AND PROMISES TO GIVE (Continued)

Promises to give consist of the following:

September 30,		**2024**		2023
Receivable within one year	**$**	**17,612**	$	73,584
Promises to give	**$**	**17,612**	$	73,584

During the year ended September 30, 2024, bad debt expense related to promises to give totaled $56,456. There was no bad debt expense during September 30, 2023.

Note 5: INVENTORY

Inventory consists of the following:

September 30,		**2024**		2023
Thrift stores	**$**	**800,149**	$	694,658
Pharmacy		**739,255**		479,924
Total inventory	**$**	**1,539,404**	$	1,174,582

Note 6: 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 consolidated statements of financial position at fair market value.

Note 7: PROPERTY AND EQUIPMENT

The components of property and equipment consist of the following at September 30, 2024 and 2023:

	Estimated Useful Lives (in years)	2024	2023
Building	30	**$ 7,278,959**	$ 7,260,805
Leasehold improvements	5-10	**232,531**	232,531
Equipment	3-10	**518,398**	508,561
Vehicles	5	**222,725**	192,725
Computer equipment	3	**167,101**	141,327
Security system	5	**47,884**	42,934
Furniture and fixtures	5-10	**227,304**	187,273
Total depreciable property and equipment		**8,694,902**	8,566,156
Less accumulated depreciation and amortization		**(2,125,975)**	(1,739,316)
Total depreciable property and equipment, net		**6,568,927**	6,826,840
Construction in progress		**126,552**	-
Land		**670,200**	670,200
Total property and equipment, net		**$ 7,365,679**	$ 7,497,040

Depreciation and amortization expense for the years ended September 30, 2024 and 2023 amounted to $386,659 and $361,119, respectively.

Note 8: LEASES

The Society has operating leases for retail space for its thrift stores. The leases have remaining lease terms of 1 to 7 years, including anticipated renewals.

The components of lease expense consist of the following:

For the years ended September 30,	2024	2023
Operating lease cost	**$ 695,117**	$ 680,913
Short-term lease cost	**$ 36,700**	$ 3,600

Weighted average remaining lease term and discount rates consists of the following:

For the years ended September 30,	2024	2023
Weighted average remaining lease term		
Operating leases	**4.5 years**	5.5 years
Weighted average discount rate		
Operating leases	**6.66%**	4.63%

Note 8: LEASES (Continued)

Future minimum lease payments under non-cancellable leases as of September 30, 2024, were as follows:

For the years ending September 30,		
2025	$	645,191
2026		595,374
2027		559,131
2028		433,840
2029		187,807
Thereafter		194,091
Total future minimum lease payments		2,615,434
Less imputed interest		(279,621)
Present value of lease liabilities	$	2,335,813
Reported as of September 30, 2024		
Current portion of operating lease liabilities	$	539,890
Operating lease liabilities, less current portion		1,795,923
Total	$	2,335,813

Note 9: 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 10. The note receivable totaled $5,297,250 with an interest rate of 1.0% as of both September 30, 2024 and 2023. 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. Interest income related to the note receivable was $52,979 and $52,973 for the years ended September 30, 2024 and 2023, respectively.

Note 10: LONG-TERM DEBT

Long-term debt consists of the following:

September 30,	**2024**	2023
Building loan with interest at SOFR rate plus 1.8% (7.13% at September 30, 2023); 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.	**$ -**	$ 82,274
Note payable to Invest Atlanta in the amount of $25,000, interest free; full principal payment of $25,000 due June 13, 2026.	**25,000**	-
Note payable with an entity, fixed interest rate of 1.16%; quarterly interest payments due; principal plus accrued interest due January 31, 2050; collateralized by all assets held by SVDP Georgia Support Organization, Inc.	**2,052,750**	2,052,750
Note payable with an entity, fixed interest rate of 1.16%; quarterly interest payments due; principal plus accrued interest due January 31, 2050; collateralized by all assets held by SVDP Georgia Support Organization, Inc.	**5,297,250**	5,297,250
Long-term debt less unamortized debt issuance costs	**7,375,000**	7,432,274
Less current portion	**-**	(86,608)
Long-term debt, less current portion	**$ 7,375,000**	$ 7,345,666

Interest expense related to the notes payable was $90,693 and $105,689 for the years ended September 30, 2024 and 2023, respectively.

Maturities of long-term debt subsequent to September 30, 2024, consists of the following:

For the years ending September 30,	
2025	$ -
2026	25,000
2027	191,929
2028	284,493
Thereafter	6,873,578
Total	$ 7,375,000

Note 10: 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 where the Society is currently located.

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 proprieties 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, 2024 and 2023 was $127,791 and $172,380, respectively, and is shown as contractually restricted net assets on the consolidated statements of financial position.

Note 11: LINES OF CREDIT

The Society maintains a line of credit agreement with the Archdiocese of Atlanta. Available borrowings related to the agreement are $500,000, with an interest rate of 7.50%, at September 30, 2024 and 2023, secured by the Society's annual collection funds. The credit line expires in 2028. There was no outstanding balance as of September 30, 2024 and 2023.

The Society maintains a line of credit agreement with a financial institution. Available borrowings related to the agreement are $833,000 with an interest rate of 7.33% and 7.58%, at September 30, 2024 and 2023, respectively, secured by all assets of the Society. The credit line expires in 2025 and renews annually. The outstanding balance as of September 30, 2024 and 2023, totaled to $97,043. The new line of credit was established to provide liquidity in connection with the Society's project to develop property it owns in the Lakewood Heights area of Atlanta into a mixed-use multifamily affordable housing facility.

Note 12: NET ASSETS

A summary of net assets without donor restrictions consists of the following:

September 30,	**2024**	2023
Available for operations	**$ 9,892,182**	$ 9,749,614
Contractually restricted	**127,791**	172,380
Total net assets without donor restrictions	**$ 10,019,973**	$ 9,921,994

A summary of net assets with donor restrictions consists of the following:

September 30,	**2024**	2023
Purpose restricted		
Capital campaign pledges	**$ 17,612**	$ 73,584
Perpetual restrictions for operations - beneficial interest in assets held by foundation	**842,886**	711,099
Total net assets with donor restrictions	**$ 860,498**	$ 784,683

A summary of the release of donor restrictions consists of the following:

For the years ended September 30,	**2024**	2023
Purpose restrictions accomplished		
Capital campaign funds	**$ 65,758**	$ 93,116
Distribution from beneficial interest in assets held by foundation	**27,500**	23,901
Total net assets released from donor restrictions	**$ 93,258**	$ 117,017

Note 13: REVENUE

The Society is recognizing revenue at a point in time for its thrift store sales and special events. As of September 30, 2024 and 2023, there are no contract assets or contract liabilities related to revenue from contracts with customers.

The Society's method of recognizing revenue is the period in which the goods or services are provided.

Note 14: CONTRIBUTIONS OF NON-FINANCIAL ASSETS

All donated services and goods were utilized by the Society's program and supporting services. There were no donor-imposed restrictions associated with the contributed services and goods.

The components of donated services and goods contributed to the Society consists of the following for the years ended September 30, 2024 and 2023:

For the year ended September 30, 2024	Donated Services	Donated Goods	Donated Food	Donated Medicine	Total
Program Services					
Hunger, housing and health services	$ 11,209	$ 145,215	$ 6,261,834	$ 4,490,331	**$ 10,908,589**
Thrift store operations	-	124,888	-	-	**124,888**
Supporting Services					
Fundraising	32,500	-	-	-	**32,500**
Total contributed services and goods	$ 43,709	$ 270,103	$ 6,261,834	$ 4,490,331	**$ 11,065,977**

For the year ended September 30, 2023	Donated Services	Donated Goods	Donated Food	Donated Medicine	Total
Program Services					
Hunger, housing and health services	$ 9,474	$ 64,046	$ 5,041,060	$ 2,272,197	$ 7,386,777
Thrift store operations	-	45,000	-	-	45,000
Supporting Services					
General and administrative	67,200	-	-	-	67,200
Total contributed services and goods	$ 76,674	$ 109,046	$ 5,041,060	$ 2,272,197	$ 7,498,977

Donated services and goods are valued using the fair market value.

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.

Note 15: FAIR VALUE MEASUREMENTS (Continued)

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.

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, 2024 and 2023.

Beneficial interest in assets held by the Foundation - the fair value of beneficial interest in assets held by the Foundation (Notes 2 and 6) is based on net asset value NAV per share or unit as a practical expedient as reported by the fund manager, multiplied by the number of shares or units held as of the measurement date.

Accordingly, the NAV based investments have been excluded from the fair value hierarchy leveling. 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 consist of beneficial interest in assets held by the Foundation as of September 30, 2024 and 2023 totaling $842,886 and $711,099, respectively. These assets are measured at fair value using the net asset value per share and have therefore been excluded from the fair value hierarchy leveling.

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, 2024 and 2023, there were no transfers in or out of Levels 1, 2 or 3.

Note 15: FAIR VALUE MEASUREMENTS (Continued)

Fair Value of Beneficial Interest in Assets that Calculate Net Asset Value

Beneficial interest in assets held by the Foundation are maintained by investment companies and hold investments in accordance with a stated set of fund objectives. Beneficial interest in assets held by the Foundation measured at fair value based on NAV per share consists of the following:

Year-end		Fair Value		Unfunded Commitments	Redemption Frequency (if eligible)	Redemption Notice Period
September 30, 2024	**$**	**842,886**	**$**	**-**	**Daily**	**None**
September 30, 2023	$	711,099	$	-	Daily	None

Note 16: CONCENTRATIONS

The Society maintains cash deposits with financial institutions at September 30, 2024 and 2023 in excess of federally insured limits of $2,210,004 and $1,908,346, respectively. The balances in the demand account at the Archdiocese of Atlanta at September 30, 2024 and 2023 of $37,065 and $10,233, respectively, are not insured by the FDIC.

Note 17: COMMITMENTS AND CONTINGENCIES

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 consolidated financial position.

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, 2024 and 2023 was $249,974 and $226,601, respectively. Future minimum rentals to be received under these non-cancelable lease agreements subsequent to September 30, 2024, are as follows:

For the years ending September 30,		
2025	$	194,800
2026		105,425
2027		44,750
Total future minimum lease income payments	$	344,975

Note 18: OPERATING LEASE INCOME (Continued)

Property related to leases for the Society consist of the following at September 30, 2024:

Building and improvements	$	3,472,865
Less: related accumulated depreciation		(514,133)
Total leased property and equipment, net	$	2,958,732

The cost of the leased building and accumulated depreciation are included in Note 7.

Note 19: DEFINED CONRIBUTION PLAN

The Society offers a retirement plan operated under section 401(k) of the Internal Revenue Code. For the fiscal years ended September 30, 2024 and 2023, 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 1 year of service. Total expenses for the years ended September 30, 2024 and 2023, totaled $126,514 and $128,877, respectively.

Note 20: RELATED PARTIES

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, 2024 and 2023, $62,003 and $59,825, respectively, was paid to the National Council. These amounts are included with dues and subscriptions in the consolidated statements of functional expenses. There were no amounts due to the National Council as of September 30, 2024 and 2023.