ELLIN & TUCKER

St. Vincent de Paul of Baltimore, Inc. and Subsidiaries
Consolidated Financial Statements
June 30, 2019 and 2018

INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of St. Vincent de Paul of Baltimore, Inc. and Subsidiaries (collectively referred to as the Organization), which comprise the Consolidated Statements of Financial Position as of June 30, 2019 and 2018, and the related Consolidated Statements of Activities and Changes in Net Assets, Functional Expenses and Cash Flows for the years then ended and the related notes to the consolidated financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

Independent Auditors' Report, Continued

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2019 and 2018, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2020, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Ellin & Tucker

ELLIN & TUCKER
Certified Public Accountants

Baltimore, Maryland
June 16, 2020

ASSETS

	2019	2018
ASSETS		
Cash and Cash Equivalents	$ -	$ 243,338
Investments (Note 2)	4,564,826	4,255,021
Grants and Accounts Receivable	2,776,068	2,831,944
Pledges Receivable (Note 3)	163,601	337,263
Prepaid Expenses and Other Assets	248,008	220,714
Property and Equipment, Net of Accumulated Depreciation (Note 4)	16,070,218	16,831,354
Total Assets	$ 23,822,721	$ 24,719,634

LIABILITIES AND NET ASSETS

	2019	2018
LIABILITIES		
Notes Payable (Note 5)	$ 851,766	$ 678,283
Accounts Payable and Accrued Expenses	1,492,028	1,426,013
Accrued Pension Liability (Note 9)	-	101,068
Deferred Governmental Grants (Note 6)	1,449,816	1,670,477
Total Liabilities	3,793,610	3,875,841
COMMITMENTS (Note 8)		
NET ASSETS		
Without Donor Restrictions	19,440,246	19,908,791
With Donor Restrictions (Note 7)	588,865	935,002
Total Net Assets	20,029,111	20,843,793
Total Liabilities and Net Assets	$ 23,822,721	$ 24,719,634

(See Independent Auditors' Report and Accompanying Notes)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions and Grants	$ 2,522,073	$ 210,118	$ 2,732,191
Government Grants	16,127,163	207,590	16,334,753
Donated Food, Services and Occupancy (Note 10)	3,848,726	-	3,848,726
Program Income and Sales	1,583,298	-	1,583,298
Investment Income, Net of Investment Fees	467,043	-	467,043
Miscellaneous	262,848	-	262,848
	24,811,151	417,708	25,228,859
Net Assets Released from Restrictions	763,845	(763,845)	-
Total Revenue and Support	25,574,996	(346,137)	25,228,859
EXPENSES			
Program Services	22,677,750	-	22,677,750
Management and General	1,941,833	-	1,941,833
Fundraising	662,821	-	662,821
Total Expenses	25,282,404	-	25,282,404
Change in Net Assets before Depreciation Expense	292,592	(346,137)	(53,545)
DEPRECIATION EXPENSE	761,137	-	761,137
Change in Net Assets	(468,545)	(346,137)	(814,682)
NET ASSETS - BEGINNING OF YEAR	19,908,791	935,002	20,843,793
NET ASSETS - END OF YEAR	$ 19,440,246	$ 588,865	$ 20,029,111

(See Independent Auditors' Report and Accompanying Notes)

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions and Grants	$ 2,649,814	$ 748,800	$ 3,398,614
Government Grants	14,603,464	383,544	14,987,008
Donated Food, Services and Occupancy (Note 10)	1,910,887	-	1,910,887
Program Income and Sales	1,950,173	-	1,950,173
Investment Income, Net of Investment Fees	421,524	-	421,524
Miscellaneous	135,707	-	135,707
	21,671,569	1,132,344	22,803,913
Net Assets Released from Restrictions	449,072	(449,072)	-
Total Revenue and Support	22,120,641	683,272	22,803,913
EXPENSES			
Program Services	20,285,103	-	20,285,103
Management and General	1,694,329	-	1,694,329
Fundraising	674,416	-	674,416
Total Expenses	22,653,848	-	22,653,848
Change in Net Assets before Depreciation Expense	(533,207)	683,272	150,065
DEPRECIATION EXPENSE	784,477	-	784,477
Change in Net Assets	(1,317,684)	683,272	(634,412)
NET ASSETS - BEGINNING OF YEAR	21,226,475	251,730	21,478,205
NET ASSETS - END OF YEAR	$ 19,908,791	$ 935,002	$ 20,843,793

(See Independent Auditors' Report and Accompanying Notes)

	Program Services											
	Homeless Services and Supportive Housing	Child and Family Services	Workforce Development	Client Assistance	Healthy Food Access	Subtotal	Kidz Table	Eliminations	Total Program Services	Manangement and General	Fund Development	Total
Salaries	$ 3,097,686	$ 4,828,514	$ 385,200	$ 50,011	$ 19,425	$ 8,380,836	$ 937,966	$ -	$ 9,318,802	$ 1,210,974	$ 202,798	$ 10,732,574
Employee Benefits	614,727	997,567	79,303	8,226	4,211	1,704,034	201,347	-	1,905,381	250,940	51,473	2,207,794
Total Salaries and Related Expenses	3,712,413	5,826,081	464,503	58,237	23,636	10,084,870	1,139,313	-	11,224,183	1,461,914	254,271	12,940,368
Contract Services	378,526	1,142,806	13,385	1,754	489,171	2,025,642	67,188	(1,591,671)	501,159	184,596	85,213	770,968
Cost of Sales	-	-	-	-	-	-	1,455,779	-	1,455,779	-	-	1,455,779
Donated Food, Services and Occupancy	483,032	3,365,694	-	-	-	3,848,726	-	-	3,848,726	-	-	3,848,726
Supplies	125,405	249,465	20,318	2,440	2	397,630	35,724	-	433,354	20,173	171,058	624,585
Telephone	54,590	35,434	8,855	969	1,453	101,301	10,969	-	112,270	14,642	7,424	134,336
Printing and Postage	26,363	45,684	5,922	1,890	1,510	81,369	5,214	-	86,583	45,603	100,960	233,146
Occupancy	447,080	697,959	39,265	17	-	1,184,321	152,444	-	1,336,765	83,572	21,643	1,441,980
Insurance	50,477	74,402	3,821	549	532	129,781	33,326	-	163,107	5,508	2,499	171,114
Transportation	19,103	137,475	9,343	1,567	587	168,075	181,102	-	349,177	1,740	488	351,405
Conference Costs	50,183	126,824	2,423	16,855	1	196,286	1,013	-	197,299	29,071	(4,130)	222,240
Client Assistance	2,564,084	-	8,849	53,158	-	2,626,091	-	-	2,626,091	-	-	2,626,091
Miscellaneous	259,025	25,134	1,823	27,496	122	313,600	29,657	-	343,257	95,014	23,395	461,666
Total Expenses before Allocation of Indirect Costs and Depreciation Expense	8,170,281	11,726,958	578,507	164,932	517,014	21,157,692	3,111,729	(1,591,671)	22,677,750	1,941,833	662,821	25,282,404
Depreciation Expense	-	-	-	-	-	-	-	-	-	761,137	-	761,137
Total Expenses before Allocation of Indirect Costs	8,170,281	11,726,958	578,507	164,932	517,014	21,157,692	3,111,729	(1,591,671)	22,677,750	2,702,970	662,821	26,043,541
Indirect Costs	835,446	891,207	62,041	19,964	56,755	1,865,413	-	-	1,865,413	(1,923,023)	57,610	-
Total Expenses	$ 9,005,727	$ 12,618,165	$ 640,548	$ 184,896	$ 573,769	$ 23,023,105	$ 3,111,729	$ (1,591,671)	$ 24,543,163	$ 779,947	$ 720,431	$ 26,043,541

(See Independent Auditors' Report and Accompanying Notes)

	Program Services											
	Homeless Services and Supportive Housing	Child and Family Services	Workforce Development	Client Assistance	Healthy Food Access	Subtotal	Kidz Table	Eliminations	Total Program Services	Manangement and General	Fund Development	Total
Salaries	$ 2,777,331	$ 4,623,869	$ 366,871	$ 26,429	$ 24,467	$ 7,818,967	$ 892,130	$ -	$ 8,711,097	$ 1,094,942	$ 284,768	$ 10,090,807
Employee Benefits	558,719	1,037,300	73,839	2,087	4,570	1,676,515	214,554	-	1,891,069	(44,328)	46,278	1,893,019
Total Salaries and Related Expenses	3,336,050	5,661,169	440,710	28,516	29,037	9,495,482	1,106,684	-	10,602,166	1,050,614	331,046	11,983,826
Contract Services	465,435	1,145,919	18,176	967	295,699	1,926,196	47,859	(1,009,937)	964,118	195,950	91,086	1,251,154
Cost of Sales	-	-	-	-	-	-	1,361,696	-	1,361,696	-	-	1,361,696
Donated Food, Services and Occupancy	83,776	1,827,111	-	-	-	1,910,887	-	-	1,910,887	-	-	1,910,887
Supplies	151,443	285,792	23,661	798	5	461,699	21,736	-	483,435	9,645	39,511	532,591
Telephone	48,833	27,832	6,580	543	3,803	87,591	7,816	-	95,407	8,647	3,836	107,890
Printing and Postage	25,364	38,591	5,785	865	1,456	72,061	4,098	-	76,159	28,936	105,174	210,269
Occupancy	670,291	958,561	114,756	179	-	1,743,787	104,186	-	1,847,973	87,215	15,043	1,950,231
Insurance	39,307	71,838	4,096	2,819	28	118,088	83,047	-	201,135	7,793	2,954	211,882
Transportation	15,446	115,207	7,946	-	-	138,599	162,080	-	300,679	2,317	139	303,135
Conference Costs	39,979	60,473	2,096	9,614	-	112,162	-	-	112,162	40,940	10,640	163,742
Client Assistance	1,960,944	-	3,911	132,579	-	2,097,434	-	-	2,097,434	-	-	2,097,434
Miscellaneous	108,275	21,776	348	36,919	2,507	169,825	62,027	-	231,852	262,272	74,987	569,111
Total Expenses before Allocation of Indirect Costs and Depreciation Expense	6,945,143	10,214,269	628,065	213,799	332,535	18,333,811	2,961,229	(1,009,937)	20,285,103	1,694,329	674,416	22,653,848
Depreciation Expense	-	-	-	-	-	-	-	-	-	784,477	-	784,477
Total Expenses before Allocation of Indirect Costs	6,945,143	10,214,269	628,065	213,799	332,535	18,333,811	2,961,229	(1,009,937)	20,285,103	2,478,806	674,416	23,438,325
Indirect Costs	546,201	928,122	69,594	9,438	36,847	1,590,202	-	-	1,590,202	(1,647,949)	57,747	-
Total Expenses	$ 7,491,344	$ 11,142,391	$ 697,659	$ 223,237	$ 369,382	$ 19,924,013	$ 2,961,229	$ (1,009,937)	$ 21,875,305	$ 830,857	$ 732,163	$ 23,438,325

(See Independent Auditors' Report and Accompanying Notes)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (814,682)	$ (634,412)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by (Used in) Operating Activities:		
Depreciation	761,137	784,477
Realized and Unrealized Gain on Investments	354,386	421,524
Net Changes in:		
Pledges Receivable	173,662	652,538
Grants and Accounts Receivable	55,876	(1,288,254)
Prepaid Expenses and Other Assets	(27,294)	(55,326)
Accounts Payable and Accrued Liabilities	66,015	538,882
Accrued Pension Liability	(101,068)	(375,306)
Deferred Governmental Grants	(220,661)	(194,448)
Net Cash Provided by (Used in) Operating Activities	247,371	(150,325)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Investments	(664,192)	(638,539)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Note Payable, Net	173,483	475,000
Net Change in Cash and Cash Equivalents	(243,338)	(313,864)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	243,338	557,202
CASH AND CASH EQUIVALENTS - END OF YEAR	$ -	$ 243,338

(See Independent Auditors' Report and Accompanying Notes)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

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

NATURE OF ACTIVITIES

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

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

ACCOUNTING STANDARDS CODIFICATION

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

NEW ACCOUNTING STANDARD ADOPTED

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The ASU amends the current reporting model for not-for-profit organizations and enhances their required disclosures. The Organization has adopted this ASU as of and for the year ended June 30, 2019 with retrospective application for the financial statements for the year ended June 30, 2018. As a result, the Organization changed its presentation of its net asset classes and expanded the disclosures as required by the ASU.

BASIS OF ACCOUNTING

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

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SUPPORT AND EXPENSES

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets or designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities and Changes in Net Assets as net assets released from restrictions.

USE OF ESTIMATES

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

CASH AND CASH EQUIVALENTS

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

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

GRANTS AND ACCOUNTS RECEIVABLE

The Organization records grants and accounts receivable at cost, less an allowance for doubtful accounts, which is based on management's assessment of uncollectible amounts of grants and accounts receivable.

PLEDGES RECEIVABLE

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

INVESTMENTS

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

PROPERTY AND EQUIPMENT

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

DEFERRED GOVERNMENTAL GRANTS

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

INCOME TAXES

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

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

FUNCTIONAL ALLOCATION OF EXPENSES

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

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

RISKS AND UNCERTAINTIES

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

RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

NOTE 2 INVESTMENTS

Investments are stated at fair value. Investments at June 30, 2019 and 2018 consisted of the following:

	2019		2018	
	Cost	**Market**	**Cost**	**Market**
Money Market Funds	$ 85,717	$ 85,717	$ 277,071	$ 277,071
Equity Securities	768,111	2,384,868	736,650	2,064,884
Mutual Funds	1,725,354	2,094,241	1,608,873	1,913,066
	$ 2,579,182	$ 4,564,826	$ 2,622,594	$ 4,255,021

Investment income for the years ended June 30, 2019 and 2018 consisted of the following:

	2019	**2018**
Dividends and Interest	$ 128,559	$ 112,576
Net Realized Gain on Sale of Investments	32,563	147,729
Unrealized Appreciation on Investments	321,823	176,990
	482,945	437,295
Less: Investment Fees	15,902	15,771
	$ 467,043	$ 421,524

The Fair Value Measurements and Disclosures Topic of the Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives

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the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2 Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

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

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

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

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

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

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

Below are descriptions of the valuation methodologies used for assets measured at fair value. There has been no change in the methodologies used at June 30, 2019 and 2018.

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

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

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

The following table summarizes the Organization's investments at fair value as of June 30, 2019 and 2018, which are all within Level 1 of the fair value hierarchy:

	2019	2018
Money Market Funds	$ 85,717	277,071
Equity Securities:		
Consumer Discretionary	379,165	367,556
Consumer Staples	192,646	152,729
Energy	61,762	64,700
Financial	247,434	281,786
Health Care	431,458	374,965
Industrial	205,533	158,145
Information Technology	439,085	565,296
Material	39,488	28,066
Communication Services	184,035	-
Real Estate	112,447	-
Utilities	91,815	71,641
Mutual Funds:		
Bond Funds	1,446,168	1,262,448
Stock Funds	506,886	491,871
Large Cap Equity Index Fund	71,209	99,192
Mid Cap Equity Index Fund	69,978	59,555
	$ 4,564,826	$ 4,255,021

NOTE 3 PLEDGES RECEIVABLE

Pledges receivables at June 30, 2019 and 2018 were as follows:

	2019	2018
Due in Less than One Year	$ 153,651	$ 275,927
Due in One to Five Years	18,050	79,425
	171,701	355,352
Less: Allowance for Doubtful Pledges and Discount to Net Present Value	8,100	18,089
Pledges Receivable - Net	$ 163,601	$ 337,263

(See Independent Auditors' Report)

Pledges receivable are reflected net of management's allowance for doubtful pledges. Pledges receivable due in more than one year are reflected at the present value of estimated future cash flows using an average discount rate of 4%.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2019 and 2018 were as follows:

	2019	2018
Leasehold Improvements	$ 10,332,096	$ 10,332,096
Equipment	1,084,109	1,084,109
Furniture	500,275	500,275
Computer Equipment	83,477	83,477
Buildings	9,732,171	9,732,171
Land	1,172,700	1,172,700
	22,904,828	22,904,828
Less: Accumulated Depreciation	6,834,610	6,073,474
Property and Equipment, Net	$ 16,070,218	$ 16,831,354

Depreciation expense for the years ended June 30, 2019 and 2018 was approximately $761,000 and $785,000, respectively.

NOTE 5 NOTES PAYABLE

The Organization has a revolving line of credit with M&T Bank, which provides for borrowings up to $1,000,000, with interest at overnight LIBOR plus 3%. The line is collateralized by the assets of the Organization and payable on demand. As of June 30, 2019 and 2018, $326,735 and $500,000 were outstanding under the line of credit, respectively. The line of credit agreement requires the Organization to maintain compliance with certain financial covenants.

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

(See Independent Auditors' Report)

The Organization has a third line of credit with M&T Bank, which provides for borrowings up to $500,000 with interest at overnight LIBOR plus 3%. The line is collateralized by the assets of the Organization and payable on demand. At June 30, 2019, no borrowings were outstanding under the line of credit. At June 30, 2018, $25,000 was outstanding under the line of credit.

NOTE 6 DEFERRED GOVERNMENTAL GRANTS

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

Deferred governmental grants at June 30, 2019 consisted of the following:

Grantor	Original Amount	Forgiveness Date	Balance
Baltimore City/HUD SHP	$ 682,329	September 2021	$ 136,459
Baltimore DHCD	1,500,000	September 2029	1,025,000
INNterim Housing	367,000	December 2024	288,357
			$ 1,449,816

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2019 and 2018 consisted of the following:

	2019	2018
Subject to Expenditure for Specified Purposes:		
Front Door City	$ 60,781	$ 83,583
Navigator Program	110,376	269,075
Camp	150,000	122,000
Home Connections	207,590	383,544
Other	60,118	-
Time Restricted	-	76,800
	$ 588,865	$ 935,002

(See Independent Auditors' Report)

NOTE 8 COMMITMENTS

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

Year Ending June 30,	2020	$ 485,502
	2021	387,948
	2022	344,070
	2023	107,335
	2024	79,782
	Thereafter	13,341

Rent expense for the years ended June 30, 2019 and 2018 was approximately $657,000 and $655,000, respectively.

NOTE 9 RETIREMENT PLANS

401(k) and 403(b) Plans

The Organization maintains tax deferred annuity plans under Internal Revenue Code Sections 401(k) [401(k) Plan] and 403(b) [403(b) Plan], which are available to all employees who meet service related eligibility requirements. Participants may elect to contribute to the 401(k) and 403(b) Plans up to amounts prescribed by the Internal Revenue Code. The Organization makes matching contributions to the 401(k) and 403(b) Plans ranging from 3% to 6% of participant's compensation as well as a 3% safe harbor contribution on behalf of all participants. For the year ended June 30, 2019, the Organization's contributions to the 401(k) and 403(b) Plans amounted to $31,984 and $288,833, respectively. For the year ended June 30, 2018, the Organization's contributions to the 401(k) and 403(b) Plans amounted to $31,104 and $232,425, respectively.

457(f) Plan

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

(See Independent Auditors' Report)

457(b) Plan

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

The following table summarizes the Organization's marketable securities related to its 457(f) and 457(b) Plans at June 30, 2019 and 2018, all of which were valued within Level 1 of the fair value hierarchy:

	2019	2018
Money Market Funds	$ 16,291	$ -
Mutual Funds:		
Bond Funds	49,842	-
Large Cap	71,209	99,192
Mid Cap	69,978	59,555
	$ 207,320	$ 158,747

DEFINED BENEFIT PLAN

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

Summary information on SVDP's defined benefit plan as of June 30, 2018 was as follows:

Projected Benefit Obligation	$ (2,225,425)
Plan Assets at Fair Value	2,124,357
Funded Status of the Plan	$ (101,068)
Accumulated Benefit Obligation	$ 2,225,425

(See Independent Auditors' Report)

During the year ended June 30, 2019, SVDP terminated the defined benefit plan. Included in miscellaneous income in the accompanying Consolidated Statements of Activities and Changes in Net Assets for the year ended June 30, 2019 is a gain of approximately $170,000, as a result of the Plan's termination.

NOTE 10 DONATED FOOD, SERVICES AND OCCUPANCY

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

In accordance with GAAP, the Organization has reported the value of the donated materials, services and occupancy as support and program expense in the Consolidated Statements of Activities and Changes in Net Assets for the years ended June 30, 2019 and 2018. The value of the donated time by volunteers for the various programs has not been reported in these consolidated financial statements as these donated services do not meet the criteria for recognition.

The value of donated food, services and occupancy was as follows at June 30, 2019 and 2018:

	2019	2018
Personal Services	$ 1,205,660	$ 994,078
Occupancy	3,348,079	1,702,543
Food	292,736	218,051
Other Donations	207,911	239,105
	5,054,386	3,153,777
Less: Value of Personal Services and Other Donations Not Recognized	1,205,660	1,242,890
	$ 3,848,726	$ 1,910,887

(See Independent Auditors' Report)

NOTE 11 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

	2019	2018
Cash and Cash Equivalents	$ -	$ 243,338
Investments	4,564,826	4,255,021
Grants and Accounts Receivable	2,776,068	2,831,944
Pledges Receivable	248,008	337,263
Total Financial Assets	7,588,902	7,667,566
Pledges Scheduled to be Collected in More Than One Year	(18,050)	(79,425)
457(f) and 457(b) Plan Assets	(207,320)	(158,747)
Donor Contributions Restricted to Specific Purposes	(588,865)	(935,002)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 6,774,667	$ 6,494,392

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

NOTE 12 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through June 16, 2020, the date the consolidated financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which continues to spread, has adversely affected workforces, customers, economies, and global financial markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19 as well as its impact on the global economy. Therefore, the Organization is currently unable to determine the extent of the impact to its future financial condition or results of operations.

(See Independent Auditors' Report)

In April 2020, the Organization received a loan of approximately $563,000 under the SBA Paycheck Protection Program. The loan may be forgiven provided that the funds are used for specific purposes outlined by the Paycheck Protection Program.

Supplementary Information

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the consolidated financial statements of St. Vincent de Paul of Baltimore, Inc. and Subsidiaries as of and for the years ended June 30, 2019 and 2018, and our report thereon dated June 16, 2020, which expressed an unmodified opinion on those consolidated financial statements, appears on Pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in the accompanying Consolidating Statements of Financial Position, Activities and Changes in Net Assets is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Ellin & Tucker

ELLIN & TUCKER
Certified Public Accountants

Baltimore, Maryland
June 16, 2020

	SVDP	Enterprises	Foundation	Subtotal	Eliminations	Consolidated
ASSETS						
Cash and Cash Equivalents	$ (19,930)	$ 19,930	$ -	$ -	$ -	$ -
Investments	207,320	-	4,357,506	4,564,826	-	4,564,826
Grants and Accounts Receivable	2,672,901	365,389	-	3,038,290	(262,222)	2,776,068
Pledges Receivable	163,601	-	-	163,601	-	163,601
Prepaid Expenses and Other Assets	193,769	52,376	1,863	248,008	-	248,008
Due (from) to Related Parties	(4,770)	4,770	-	-	-	-
Property and Equipment, Net of Accumulated Depreciation	16,067,216	3,002	-	16,070,218	-	16,070,218
Total Assets	$ 19,280,107	$ 445,467	$ 4,359,369	$ 24,084,943	$ (262,222)	$ 23,822,721
LIABLITIES						
Notes Payable	$ 851,766	$ -	$ -	$ 851,766	$ -	$ 851,766
Accounts Payable and Accrued Expenses	1,532,938	221,312	-	1,754,250	(262,222)	1,492,028
Deferred Governmental Grants	1,449,816	-	-	1,449,816	-	1,449,816
Total Liabilities	3,834,520	221,312	-	4,055,832	(262,222)	3,793,610
NET ASSETS						
Without Donor Restrictions	14,856,722	224,155	4,359,369	19,440,246	-	19,440,246
With Donor Restrictions	588,865	-	-	588,865	-	588,865
Total Net Assets	15,445,587	224,155	4,359,369	20,029,111	-	20,029,111
Total Liabilities and Net Assets	$ 19,280,107	$ 445,467	$ 4,359,369	$ 24,084,943	$ (262,222)	$ 23,822,721

(See Independent Auditors' Report on Supplementary Information)

	SVDP	Enterprises	Foundation	Subtotal	Eliminations	Consolidated
ASSETS						
Cash and Cash Equivalents	$ 210,068	$ 33,270	$ -	$ 243,338	$ -	$ 243,338
Investments	158,747	-	4,096,274	4,255,021	-	4,255,021
Grants and Accounts Receivable	2,664,194	396,081	-	3,060,275	(228,331)	2,831,944
Pledges Receivable	337,263	-	-	337,263	-	337,263
Prepaid Expenses and Other Assets	171,130	47,914	1,670	220,714	-	220,714
Due(to) from Related Parties	(81,620)	81,729	(109)	-	-	-
Property and Equipment, Net of Accumulated Depreciation	16,822,367	8,987	-	16,831,354	-	16,831,354
Total Assets	$ 20,282,149	$ 567,981	$ 4,097,835	$ 24,947,965	$ (228,331)	$ 24,719,634
LIABLITIES						
Notes Payable	$ 653,283	$ 25,000	$ -	$ 678,283	$ -	$ 678,283
Accounts Payable and Accrued Expenses	1,432,563	215,581	6,200	1,654,344	(228,331)	1,426,013
Accrued Pension Liability	101,068	-	-	101,068	-	101,068
Deferred Governmental Grants	1,670,477	-	-	1,670,477	-	1,670,477
Total Liabilities	3,857,391	240,581	6,200	4,104,172	(228,331)	3,875,841
NET ASSETS						
Without Donor Restrictions	15,489,756	327,400	4,091,635	19,908,791	-	19,908,791
With Donor Restrictions	935,002	-	-	935,002	-	935,002
Total Net Assets	16,424,758	327,400	4,091,635	20,843,793	-	20,843,793
Total Liabilities and Net Assets	$ 20,282,149	$ 567,981	$ 4,097,835	$ 24,947,965	$ (228,331)	$ 24,719,634

(See Independent Auditors' Report on Supplementary Information)

	SVDP	Enterprises	Foundation	Eliminations	Consolidated
REVENUE AND SUPPORT					
Contributions and Grants	$ 2,924,358	$ 7,942	$ -	$ (200,109)	$ 2,732,191
Government Grants	16,314,753	20,000	-	-	16,334,753
Donated Food, Services and Occupancy	3,848,726	-	-	-	3,848,726
Program Income and Sales	105,013	3,069,956	-	(1,591,671)	1,583,298
Investment Income, Net of Investment Fees	394	-	466,649	-	467,043
Miscellaneous	345,082	572	1,194	(84,000)	262,848
Total Revenue and Support	23,538,326	3,098,470	467,843	(1,875,780)	25,228,859
EXPENSES					
Program Services	21,157,692	3,111,729	200,109	(1,791,780)	22,677,750
Management and General	1,941,833	84,000	-	(84,000)	1,941,833
Fundraising	662,821	-	-	-	662,821
Total Expenses	23,762,346	3,195,729	200,109	(1,875,780)	25,282,404
Change in Net Assets before Depreciation Expense	(224,020)	(97,259)	267,734	-	(53,545)
DEPRECIATION EXPENSE	755,151	5,986	-	-	761,137
Change in Net Assets	(979,171)	(103,245)	267,734	-	(814,682)
NET ASSETS - BEGINNING OF YEAR	16,424,758	327,400	4,091,635	-	20,843,793
NET ASSETS - END OF YEAR	$ 15,445,587	$ 224,155	$ 4,359,369	$ -	$ 20,029,111

(See Independent Auditors' Report on Supplementary Information)

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

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

For the Year Ended June 30, 2018

	SVDP	Enterprises	Foundation	Eliminations	Consolidated
REVENUE AND SUPPORT					
Contributions and Grants	$ 3,605,237	$ 14,026	$ -	$ (220,649)	$ 3,398,614
Government Grants	14,987,008	-	-	-	14,987,008
Donated Food, Services and Occupancy	1,910,887	-	-	-	1,910,887
Program Income and Sales	115,087	2,845,023	-	(1,009,937)	1,950,173
Investment Income, Net of Investment Fees	4,767	-	416,757	-	421,524
Miscellaneous	212,609	7,098	-	(84,000)	135,707
Total Revenue and Support	20,835,595	2,866,147	416,757	(1,314,586)	22,803,913
EXPENSES					
Program Services	18,333,811	3,045,229	220,649	(1,314,586)	20,285,103
Management and General	1,694,220	-	109	-	1,694,329
Fundraising	674,416	-	-	-	674,416
Total Expenses	20,702,447	3,045,229	220,758	(1,314,586)	22,653,848
Change in Net Assets before Depreciation Expense	133,148	(179,082)	195,999	-	150,065
DEPRECIATION EXPENSE	778,958	5,519	-	-	784,477
Change in Net Assets	(645,810)	(184,601)	195,999	-	(634,412)
NET ASSETS - BEGINNING OF YEAR	17,070,568	512,001	3,895,636	-	21,478,205
NET ASSETS - END OF YEAR	$ 16,424,758	$ 327,400	$ 4,091,635	$ -	$ 20,843,793

(See Independent Auditors' Report on Supplementary Information)