SOCIETY OF ST. VINCENT DE PAUL

FINANCIAL STATEMENTS

September 30, 2014

SOCIETY OF ST. VINCENT DE PAUL

Index of Financial Statements
September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Society of St. Vincent de Paul

We have audited the accompanying financial statements of the Society of St. Vincent de Paul (a nonprofit organization), which comprise the statement of financial position as of September 30, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Society of St. Vincent de Paul as of September 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Society of St. Vincent de Paul 2013 financial statements, and our report dated December 3, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

DeMarco + Nesi CPA's LLC

Garden City, New York
December 4, 2014

SOCIETY OF ST. VINCENT DE PAUL

Statement of Financial Position

September 30, 2014
(with comparative financial information as of September 30, 2013)

Assets

	2014	2013
Cash	$ 1,191,469	$ 1,845,735
Investments	1,020,672	141,863
Accounts receivable	65,558	105,942
Grant receivable	6,873	42,836
Inventory	375,010	347,990
Prepaid expenses	87,633	167,556
Other assets	1,200	1,200
Land, buildings and equipment, net	3,523,939	3,683,997
Total Assets	$ 6,272,354	$ 6,337,119

Liabilities and Net Assets

	2014	2013
Liabilities		
Accounts payable	$ 70,382	$ 98,863
Accrued expenses	51,915	78,564
Accrued compensated absences	153,813	161,533
Loans payable	6,724	12,510
Mortgage payable	1,960,088	2,120,000
Total liabilities	2,242,922	2,471,470
Commitments and contingencies		
Net assets		
Unrestricted	4,007,084	3,865,649
Temporarily restricted	22,348	-
Total net assets	4,029,432	3,865,649
Total liabilities and net assets	$ 6,272,354	$ 6,337,119

See accompanying notes to financial statements.

SOCIETY OF ST. VINCENT DE PAUL

Statement of Activities
Year ended September 30, 2014

(with summarized financial information for the year ended September 30, 2013)

	Unrestricted	Temporarily Restricted	2014 Totals	2013 Totals
Revenue and other support				
Stores income	$ 5,853,645	$ -	$ 5,853,645	$ 6,313,201
Government and foundation grants	153,761	29,895	183,656	199,237
Fund raising income	328,769	-	328,769	379,078
Super storm Sandy contributions	-	529,058	529,058	357,202
Bequests	114,791	-	114,791	73,344
Training and development income	56,554	-	56,554	14,098
Net investment income	69,400	-	69,400	1,219
Special event, net	74,093	-	74,093	51,157
Net assets released from restrictions	536,605	(536,605)	-	-
Other income	12,229	-	12,229	-
Total revenue and other support	7,199,847	22,348	7,222,195	7,388,536
Expenses				
Program services				
Stores expenses	4,637,796	-	4,637,796	4,763,267
Vincentian training and development	417,436	-	417,436	294,067
Anthony House	137,052	-	137,052	141,682
Dismas House	227,712	-	227,712	208,787
Super storm Sandy relief	506,710	-	506,710	362,130
Total program services	5,926,706	-	5,926,706	5,769,933
Supporting services				
Management and general	897,708	-	897,708	829,021
Fund raising	233,998	-	233,998	173,633
Total supporting services	1,131,706	-	1,131,706	1,002,654
Total expenses	7,058,412	-	7,058,412	6,772,587
Change in net assets	141,435	22,348	163,783	615,949
Net assets, beginning of year	3,865,649	-	3,865,649	3,249,700
Net assets, end of year	$ 4,007,084	$ 22,348	$ 4,029,432	$ 3,865,649

See accompanying notes to financial statements.

SOCIETY OF ST. VINCENT DE PAUL

Statement of Functional Expenses

Year ended September 30, 2014
(with summarized financial information for the
year ended September 30, 2013)

	Program Services						Supporting Services				
	Direct Costs Stores	Vincentian Training & Development	Anthony House	Dismas House	Disaster Relief	Total Program Services	Management & General	Fund Raising	Total Supporting Services	2014 Totals	2013 Totals
Salaries	$ 1,960,936	$ 138,806	$ 76,220	$ 136,713	$ -	$ 2,312,675	$ 481,142	$ 132,623	$ 613,765	$ 2,926,440	$ 2,716,375
Payroll taxes and employee benefits	536,604	35,459	21,071	35,718	-	628,852	108,313	37,960	146,273	775,125	721,741
Rent	36,300	-	-	-	-	36,300	-	-	-	36,300	35,250
Utilities	108,468	-	4,962	8,727	-	122,157	18,215	-	18,215	140,372	109,277
Repairs and maintenance	86,260	-	2,941	6,664	-	95,865	22,763	-	22,763	118,628	111,676
Purchases	270,234	-	-	-	-	270,234	-	-	-	270,234	446,664
Supplies	89,206	1,422	6,499	13,110	-	110,237	20,119	862	20,981	131,218	120,227
Truck expenses and hauling fees	428,486	-	-	-	-	428,486	-	-	-	428,486	430,995
Licenses and permits	5,600	-	308	728	-	6,636	659	-	659	7,295	8,756
Computer, telephone and office expenses	60,089	2,323	10,283	6,303	-	78,998	75,009	44,400	119,409	198,407	181,862
Auto	6,524	2,557	1,932	1,744	-	12,757	4,384	502	4,886	17,643	20,546
Insurance	77,963	2,963	7,404	7,088	-	95,418	30,040	1,702	31,742	127,160	124,701
Professional fees	-	-	-	-	-	-	57,466	-	57,466	57,466	38,586
Advertising and public relations	115,298	-	-	-	-	115,298	2,395	14,873	17,268	132,566	67,092
Equipment rentals	13,692	-	-	-	-	13,692	11,160	-	11,160	24,852	24,575
Interest	93,740	-	-	-	-	93,740	-	-	-	93,740	173,567
Credit card charges and bank fees	36,308	-	-	-	-	36,308	2,407	182	2,589	38,897	46,589
Depreciation	158,460	-	5,432	10,917	-	174,809	47,010	-	47,010	221,819	213,586
Meetings and conventions	8,766	26,805	-	-	-	35,571	16,626	894	17,520	53,091	51,438
Conference support	-	163,269	-	-	-	163,269	-	-	-	163,269	51,274
Donations to families	544,862	33,625	-	-	-	578,487	-	-	-	578,487	706,269
Training and development expenses	-	10,207	-	-	-	10,207	-	-	-	10,207	9,411
Super storm Sandy relief	-	-	-	-	506,710	506,710	-	-	-	506,710	362,130
	$ 4,637,796	$ 417,436	$ 137,052	$ 227,712	$ 506,710	$ 5,926,706	$ 897,708	$ 233,998	$ 1,131,706	$ 7,058,412	$ 6,772,587

See accompanying notes to financial statements.

SOCIETY OF ST. VINCENT DE PAUL

Statement of Cash Flows

Year ended September 30, 2014
(with comparative financial information for the year ended September 30, 2013)

	2014	2013
Cash flows from operating activities		
Change in net assets	$ 163,783	$ 615,949
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	221,819	213,588
Realized and unrealized (gains)/losses on sale of investments	(47,964)	21,930
Changes in assets and liabilities		
Accounts receivable	40,384	51,132
Grant receivable	35,963	(28,989)
Prepaid expenses	79,923	(29,712)
Inventory	(27,020)	972
Debt service fund	-	267,376
Accounts payable	(28,481)	(5,080)
Accrued expenses	(26,649)	(31,072)
Accrued compensated absences	(7,720)	8,010
	240,255	468,155
Net cash provided by operating activities	404,038	1,084,104
Cash flows from investing activities		
Purchases of investments	(870,133)	(1,150,841)
Proceeds from sale of investments	39,288	1,486,239
Payments to acquire fixed assets	(54,703)	(239,156)
Net cash (used in) provided by investing activities	(885,548)	96,242
Cash flows from financing activities		
Repayment of mortgage payable	(159,912)	(360,000)
Repayment of loans payable	(12,844)	(36,321)
Net cash used in financing activities	(172,756)	(396,321)
Net (decrease) increase in cash	(654,266)	784,025
Cash, beginning of year	1,845,735	1,061,710
Cash, end of year	$ 1,191,469	$ 1,845,735

See accompanying notes to financial statements.

Note 1- Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The purpose of the Society of St. Vincent De Paul (the Organization) is to service the poor and needy in any way possible. No act of charity is foreign to the Organization. Most services are provided on an emergency basis and include cash grants for shelter and for other necessities. The Organization is supported primarily through its thrift stores income, government and foundation grants and public contributions. These financial statements include the accounts of the Central Council of the Society of St. Vincent de Paul in the Diocese of Rockville Centre.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 and subsections.

This Topic establishes standards for general-purpose external financial statements of not-for-profit organizations, including a statement of financial position, statement of activities and statement of cash flows. This Topic further requires classification of net assets and its revenues, expenses, gains and losses into three categories, based on the existence or absence of externally imposed restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization does not have any permanently restricted net assets. The categories are defined as follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use is limited by law or donor-imposed stipulations that will either expire with the passage of time or be fulfilled or removed by actions of the Organization.

Use of Estimates

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Inventory

Inventory, which is principally composed of donated clothing and furniture, is carried in the accounts at market.

Land, Buildings and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of $2,500.

Land, buildings and equipment are recorded at cost when purchased. Donated assets are recorded at fair value at the time of donation.

Provision for depreciation has been computed on the straight line method at rates based upon the estimated useful lives of the various classes of assets. The principal estimated useful lives by class of assets, with the exception of leasehold improvements are as follows:

Buildings	25 - 40 years
Equipment	3 - 10 years
Building improvements	10 years

Expenditures for maintenance and repairs are charged to operating expenses as incurred, and the cost of renewals and betterments are capitalized.

The cost and accumulated depreciation and amortization with respect to assets sold or otherwise disposed of are eliminated from the asset and related accumulated depreciation accounts, and any resulting profit or loss is reflected in current operations.

Revenue Recognition

The Organization reports revenues and gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statements.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and a similar provision under New York State income tax laws. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(I)(A)(ii). The Organization is subject to income taxes only on net unrelated business income. The Organization did not have any unrelated business income for the year ended September 30, 2014.

The Organization has adopted the provisions of FASB ASC 740-10-25, which requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include any uncertain tax positions. The Organization is no longer subject to examination by the Internal Revenue Service for years prior to September 30, 2010.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a program basis in the statement of activities and in a category basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Cash Flows

Cash paid for interest was $93,740 for the year ended September 30, 2014. No taxes were paid during the year then ended. The Organization had the following noncash investing and financing activities for the year ended September 30, 2014. An automobile costing $26,112 was acquired for cash of $19,054 and financing of $7,058.

Comparative Data

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2013, from which the summarized information was derived.

Certain prior year amounts have been reclassified to conform to the current year's financial statement presentation. Net assets and changes in net assets are unchanged due to these reclassifications.

Note 2 - Land, Building and Equipment

Fixed assets of the Organization at cost, and accumulated depreciation, are summarized as follows:

Buildings	$4,620,917
Equipment	513,449
Building improvements	437,569
	5,571,935
Less, accumulated depreciation	3,385,113
	2,186,222
Land	1,337,117
Land, building and equipment, net	$3,523,939

Depreciation expense for the year ending September 30, 2014, was $221,819.

Note 3 - Mortgage Payable

The Organization has a mortgage payable with an outstanding balance of $1,960,088 at September 30, 2014. The note is payable in monthly installments of $14,888 including interest of 4.5%. In addition, the Organization may make an optional payment of $75,000 annually without any penalty. The note matures on August 23, 2023, and any outstanding balance is due with a balloon payment. The note is collateralized by a mortgage and security agreement on property located in Huntington, New York. Loan acquisition costs of $157,685 were incurred in obtaining the mortgage. These costs are being amortized over the ten year term of the note.

The maturity of the mortgage note over the next five years and in the aggregate is as follows:

Year Ending September	
2015	$ 92,353
2016	96,596
2017	101,034
2018	105,675
2019	110,530
Thereafter	1,453,900
Total	$1,960,088

Note 4 - Pension Plan

The Organization has a non-contributory defined contribution pension plan which covers substantially all employees. Employees become eligible to participate and are fully vested after two years of employment. Contributions to the plan are based upon the base salary paid to each employee. The Organization funds the plan on a current basis. Pension expense for the year ended September 30, 2014, was $167,910.

The Organization also sponsors a tax deferred annuity plan. The plan is funded solely through employee contributions. All contributions are funded on a current basis.

Note 5 - Special Event

The Organization's annual golf outing raised $135,900 for the year ending September 30, 2014. Expenses for the golf outing amounted to $61,807.

Note 6 - Commitments and Contingencies

The Organization leases trucks and real property under operating leases expiring in various years through July, 2020. The Organization is responsible for excessive wear and tear to the vehicles at the end of the lease.

Minimum future lease payments for each of the next six years are:

Fiscal Year Ended	Amount
9/30/15	$236,756
9/30/16	155,660
9/30/17	148,902
9/30/18	148,902
9/30/19	101,064
9/30/20	89,762
Total minimum future rental payments	$881,046

Total leasing and rent expense for the year ending September 30, 2014, was $305,852.

Note 7 - Concentration of Credit Risk

At September 30, 2014, the Organization had cash deposits of $625,487 in excess of federally insured limits.

Note 8 - Subsequent Events

Date of Management Evaluation

Management has evaluated subsequent events through December 4, 2014, the date on which the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure within the financial statements.

Note 9 - Net Assets Released From Restrictions

The following temporarily restricted net assets were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors:

Emergency food and shelter program	$ 29,895
Super Storm Sandy relief	506,710
	$536,605

Note 10 - Separate Cash Accounts

All funds awarded the Organization under the Emergency Food and Shelter Program are held in separate cash accounts.

Note 11 - Compensated Absences

Full-time employees earn varying amounts of vacation and sick leave in accordance with the Organization's personnel policy. Upon termination, employees are paid for accrued vacation. The Organization accrues costs incurred for vacation and sick leave as obligations of unrestricted net assets. At September 30, 2014, the Organization had an accrual for compensated absences of $153,813.

Note 12 - Investments

Investments at fair market value consisted of the following at September 30, 2014:

Mutual funds	$ 718,387
Fixed income securities	302,285
	$1,020,672

Net investment income for the year ended September 30, 2014, consisted of the following:

Interest income	$ 30,197
Net realized gains	3,820
Net unrealized gains	44,245
Management fees	(8,862)
	$ 69,400

Note 13 - Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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 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 the 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, 2014.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Organization at year end.

Fixed income securities: Valued at the closing price reported in the active market in which the individual securities are traded.

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 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 sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2014:

	Level 1	Level 2	Level 3	Total
Mutual Funds				
Domestic equity funds	$483,482	$ -	$ -	$ 483,482
Balanced funds	149,419	-	-	149,419
International funds	85,486	-	-	85,486
	718,387	-	-	718,387
Fixed Income				
Corporate bonds	-	258,571	-	258,571
US government agencies	-	43,714	-	43,714
Total fixed income	-	302,285	-	302,285
Total assets at fair value	$718,387	$302,285	$ -	$1,020,672

Note 14 - Loan Payable

The Organization has a loan from the purchase of an automobile with an outstanding balance of $6,724. The loan is payable in monthly installments of $167 including interest of 6.5%. The final payment is due on July 15, 2018.

The maturity of the loan payable over the next four years is as follows:

Years ending September	
2015	$ 1,540
2016	1,723
2017	1,837
2018	1,624
Total	$ 6,724

Note 15 - Net Assets

Unrestricted net assets are available for the following purposes:

Undesignated	$4,007,084

Temporarily restricted net assets are available for the following purposes:

Super storm Sandy assistance	$22,348