SOCIETY OF ST. VINCENT DE PAUL

FINANCIAL STATEMENTS

September 30, 2015

SOCIETY OF ST. VINCENT DE PAUL

Index of Financial Statements
September 30, 2015

DeMarco
& Nesi LLC
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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, 2015, 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, 2015, 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 2014 financial statements, and our report dated December 4, 2014, 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, 2014, 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 3, 2015

SOCIETY OF ST. VINCENT DE PAUL

Statement of Financial Position

September 30, 2015
(with comparative financial information as of
September 30, 2014)

Assets

	2015	2014
Cash	$ 942,220	$ 1,191,469
Investments	1,340,472	1,020,672
Accounts receivable	179,159	65,558
Grant receivable	13,677	6,873
Inventory	353,615	375,010
Prepaid expenses	102,206	87,633
Other assets	1,200	1,200
Land, buildings and equipment, net	3,378,212	3,523,939
Total Assets	$ 6,310,761	$ 6,272,354

Liabilities and Net Assets

	2015	2014
Liabilities		
Accounts payable	$ 56,452	$ 70,382
Accrued expenses	63,302	51,915
Accrued compensated absences	160,719	153,813
Mortgage payable	1,792,094	1,960,088
Loans payable	-	6,724
Total liabilities	2,072,567	2,242,922
Commitments and contingencies		
Net assets		
Unrestricted	4,232,452	4,007,084
Temporarily restricted	5,742	22,348
Total net assets	4,238,194	4,029,432
Total liabilities and net assets	$ 6,310,761	$ 6,272,354

See accompanying notes to financial statements.

SOCIETY OF ST. VINCENT DE PAUL

Statement of Activities
Year ended September 30, 2015

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

	Unrestricted	Temporarily Restricted	2015 Totals	2014 Totals
Revenue and other support				
Stores income	$ 5,819,735	$ -	$ 5,819,735	$ 5,853,645
Government and foundation grants	148,772	41,074	189,846	183,656
Fund raising income	470,762	-	470,762	328,769
Super storm Sandy contributions	-	72,500	72,500	529,058
Bequests	24,787	-	24,787	114,791
Training and development income	57,306	-	57,306	56,554
Net investment income	(39,589)	-	(39,589)	69,400
Special event, net	27,037	-	27,037	74,093
Net assets released from restrictions	130,180	(130,180)	-	-
Other income	-	-	-	12,229
Total revenue and other support	6,638,990	(16,606)	6,622,384	7,222,195
Expenses				
Program services				
Stores expenses	4,378,972	-	4,378,972	4,637,796
Vincentian training and development	452,364	-	452,364	417,436
Anthony House	140,866	-	140,866	137,052
Dismas House	214,825	-	214,825	227,712
Super storm Sandy relief	101,529	-	101,529	506,710
Total program services	5,288,556	-	5,288,556	5,926,706
Supporting services				
Management and general	884,566	-	884,566	897,708
Fund raising	240,500	-	240,500	233,998
Total supporting services	1,125,066	-	1,125,066	1,131,706
Total expenses	6,413,622	-	6,413,622	7,058,412
Change in net assets	225,368	(16,606)	208,762	163,783
Net assets, beginning of year	4,007,084	22,348	4,029,432	3,865,649
Net assets, end of year	$ 4,232,452	$ 5,742	$ 4,238,194	$ 4,029,432

See accompanying notes to financial statements.

SOCIETY OF ST. VINCENT DE PAUL

Statement of Functional Expenses

Year ended September 30, 2015
(with summarized financial information for the year ended September 30, 2014)

	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	2015 Totals	2014 Totals
Salaries	$ 1,919,287	$ 157,444	$ 80,240	$ 131,033	$ -	$ 2,288,004	$ 504,440	$ 131,331	$ 635,771	$ 2,923,775	$ 2,926,440
Payroll taxes and employee benefits	548,261	38,830	20,648	35,613	-	643,352	93,694	29,711	123,405	766,757	775,125
Rent	37,500	-	-	-	-	37,500	-	-	-	37,500	36,300
Utilities	90,762	-	5,210	8,473	-	104,445	17,401	-	17,401	121,846	140,372
Repairs and maintenance	93,103	-	5,105	6,754	-	104,962	19,475	-	19,475	124,437	118,628
Purchases	292,832	-	-	-	-	292,832	-	-	-	292,832	270,234
Supplies	67,914	2,938	7,093	9,815	-	87,760	17,626	1,033	18,659	106,419	131,218
Truck expenses and hauling fees	388,010	-	-	-	-	388,010	-	-	-	388,010	428,486
Licenses and permits	6,102	-	195	200	-	6,497	109	-	109	6,606	7,295
Dues and subscriptions	145	55	186	119		505	1,775	2,310	4,085	4,590	6,342
Computer, telephone and office expenses	52,325	3,065	9,552	4,524	-	69,466	85,939	43,409	129,348	198,814	192,065
Auto	3,872	2,890	1,693	2,666	-	11,121	1,965	111	2,076	13,197	17,643
Insurance	87,378	3,017	7,341	7,849	-	105,585	34,964	-	34,964	140,549	127,160
Professional fees	-	-	-	-	-	-	40,770	-	40,770	40,770	57,466
Advertising and public relations	33,873	-	-	-	-	33,873	561	29,371	29,932	63,805	132,566
Equipment rentals	13,841	-	-	-	-	13,841	11,988	-	11,988	25,829	24,852
Interest	85,845	-	-	-	-	85,845	-	-	-	85,845	93,740
Credit card charges and bank fees	27,422	30	-	30	-	27,482	3,572	257	3,829	31,311	38,897
Depreciation	159,260	-	3,603	6,779	-	169,642	38,783	-	38,783	208,425	221,819
Meetings and conventions	11,876	23,731	-	970	-	36,577	9,004	2,967	11,971	48,548	53,091
Conference support	-	172,760	-	-	-	172,760	-	-	-	172,760	163,269
Donations to families	459,364	39,779	-	-	-	499,143	2,500	-	2,500	501,643	578,487
Training and development expenses	-	7,825	-	-	-	7,825	-	-	-	7,825	10,207
Super storm Sandy relief	-	-	-	-	101,529	101,529	-	-	-	101,529	506,710
	$ 4,378,972	$ 452,364	$ 140,866	$ 214,825	$ 101,529	$ 5,288,556	$ 884,566	$ 240,500	$ 1,125,066	$ 6,413,622	$ 7,058,412

See accompanying notes to financial statements.

SOCIETY OF ST. VINCENT DE PAUL

Statement of Cash Flows

Year ended September 30, 2015
(with comparative financial information for the year ended September 30, 2014)

	2015	2014
Cash flows from operating activities		
Change in net assets	$ 208,762	$ 163,783
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	208,425	221,819
Net realized and unrealized (gains)/losses on investments	69,062	(47,964)
Changes in assets and liabilities		
Accounts receivable	(113,601)	40,384
Grant receivable	(6,804)	35,963
Prepaid expenses	(14,573)	79,923
Inventory	21,395	(27,020)
Accounts payable	(13,930)	(28,481)
Accrued expenses	11,387	(26,649)
Accrued compensated absences	6,906	(7,720)
	168,267	240,255
Net cash provided by operating activities	377,029	404,038
Cash flows from investing activities		
Purchases of investments	(466,460)	(870,133)
Proceeds from sale of investments	77,598	39,288
Payments to acquire fixed assets	(62,698)	(54,703)
Net cash used in investing activities	(451,560)	(885,548)
Cash flows from financing activities		
Repayment of mortgage payable	(167,994)	(159,912)
Repayment of loans payable	(6,724)	(12,844)
Net cash used in financing activities	(174,718)	(172,756)
Net decrease in cash	(249,249)	(654,266)
Cash, beginning of year	1,191,469	1,845,735
Cash, end of year	$ 942,220	$ 1,191,469

See accompanying notes to financial statements.

SOCIETY OF ST. VINCENT DE PAUL

Notes to Financial Statements
September 30, 2015

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, 2015.

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, 2011.

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 $85,845 for the year ended September 30, 2015.

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, 2014, 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	556,202
Building improvements	457,514
	5,634,633
Less, accumulated depreciation	3,593,538
	2,041,095
Land	1,337,117
Land, building and equipment, net	$3,378,212

Depreciation expense for the year ending September 30, 2015, was $208,425.

Note 3 - Mortgage Payable

The Organization has a mortgage payable with an outstanding balance of $1,792,094 at September 30, 2015. 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	
2016	$ 99,681
2017	104,634
2018	109,441
2019	114,468
2020	119,727
Thereafter	1,244,143
Total	$1,792,094

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, 2015, was $161,343.

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 $61,060 for the year ending September 30, 2015. Expenses for the golf outing amounted to $34,023.

Note 6 - Commitments and Contingencies

The Organization leases trucks, real property and office equipment under operating leases expiring in various years through August, 2021. 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
9/30/16	$ 235,884
9/30/17	235,884
9/30/18	232,506
9/30/19	174,823
9/30/20	127,696
9/30/21	80,225
Total minimum future rental payments	$1,087,018

Total leasing and rent expense for the year ending September 30, 2015, was $306,982.

Note 7 - Concentration of Credit Risk

At September 30, 2015, the Organization had cash deposits of $237,737 in excess of federally insured limits.

Note 8 - Subsequent Events

Date of Management Evaluation

Management has evaluated subsequent events through December 3, 2015, 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	$ 35,332
Super Storm Sandy relief	94,848
	$130,180

Note 10 - Separate Cash Accounts

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

Note 11 - Compensated Absences

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 and sick pay under certain guidelines. The Organization accrues costs incurred for vacation and sick leave as obligations of unrestricted net assets. At September 30, 2015, the Organization had an accrual for compensated absences of $160,719.

Note 12 - Investments

Investments at fair market value consisted of the following at September 30, 2015:

Mutual funds	$ 772,138
Fixed income securities	568,334
	$1,340,472

Net investment income for the year ended September 30, 2015, consisted of the following:

Interest income	$ 43,440
Net realized gains	5,980
Net unrealized losses	(75,042)
Management fees	(13,967)
	$(39,589)

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, 2015.

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, 2015:

	Level 1	Level 2	Level 3	Total
Mutual Funds				
Domestic equity funds	$486,336	$ -	$ -	$ 486,336
Balanced funds	174,710	-	-	174,710
International funds	111,092	-	-	111,092
	772,138	-	-	772,138
Fixed Income				
Corporate bonds	-	529,803	-	529,803
US government agencies	-	38,531	-	38,531
Total fixed income	-	568,334	-	568,334
Total assets at fair value	$772,138	$568,334	$ -	$1,340,472

Note 14 - Net Assets

Unrestricted net assets are available for the following purposes:

Undesignated	$4,232,452

Temporarily restricted net assets are available for the following purposes:

Emergency food and shelter assistance	$5,742