

**CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
IN THE DIOCESE OF ROCKVILLE CENTRE, INC.**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

**(WITH SUMMARIZED COMPARATIVE
TOTALS FOR SEPTEMBER 30, 2020)**

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
IN THE DIOCESE OF ROCKVILLE CENTRE, INC.

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Central Council of the Society of St. Vincent de Paul
in the Diocese of Rockville Centre, Inc.
Bethpage, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Central Council of the Society of St. Vincent de Paul in the Diocese of Rockville Centre, Inc., which comprise the statement of financial position at September 30, 2021, 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.

Auditors' 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 Central Council of the Society of St. Vincent de Paul in the Diocese of Rockville Centre, Inc. at September 30, 2021, 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

The summarized comparative information presented herein has been derived from the financial statements of Central Council of the Society of St. Vincent de Paul in the Diocese of Rockville Centre, Inc. at September 30, 2020. These statements were audited by other auditors whose report date January 8, 2021, expressed an unmodified opinion on those audited financial statements.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

New York, New York

March 31, 2022

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
 IN THE DIOCESE OF ROCKVILLE CENTRE, INC.
 STATEMENT OF FINANCIAL POSITION
 SEPTEMBER 30, 2021
 (WITH SUMMARIZED COMPARATIVE TOTALS AT SEPTEMBER 30, 2020)

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,259,584	\$ 292,514
Investments	2,486,026	2,205,837
Accounts receivable	455,295	33,956
Inventory	662,295	486,438
Prepaid expenses	122,261	105,129
Fixed assets, net	<u>2,822,890</u>	<u>2,982,993</u>
 TOTAL ASSETS	 <u>\$ 7,808,351</u>	 <u>\$ 6,106,867</u>
 <u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 285,117	\$ 108,677
Accrued compensated absences	276,937	228,999
Refundable advance	88,788	51,029
Mortgage payable, net	<u>573,370</u>	<u>775,756</u>
Total Liabilities	<u>1,224,212</u>	<u>1,164,461</u>
 COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions	<u>6,584,139</u>	<u>4,942,406</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 7,808,351</u>	 <u>\$ 6,106,867</u>

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

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
 IN THE DIOCESE OF ROCKVILLE CENTRE, INC.
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2021
 (WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED
 SEPTEMBER 30, 2020)

	<u>2021</u>	<u>2020</u>
REVENUES, GAINS AND OTHER SUPPORT:		
Stores income	\$ 5,715,508	\$ 4,293,924
Contributions:		
Public support	1,145,715	1,126,434
Bequests	306,459	137,164
In-kind contributions	5,515,351	4,121,667
Government and foundation grants	435,761	269,861
Government grant - Employee Retention Credit	383,716	-
Vincentian development income	46,400	59,754
Investment income, net	381,697	218,566
Special event, net of direct costs of \$58,397 and \$1,345, respectively	27,972	26,155
Gain on disposal of fixed assets	-	366,911
	<u>13,958,579</u>	<u>10,620,436</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT		
EXPENSES:		
PROGRAM SERVICES:		
Stores expenses	9,895,470	8,450,573
Vincentian development and community programs	745,274	598,308
Dismas House	200,192	217,071
Total program services	<u>10,840,936</u>	<u>9,265,952</u>
SUPPORTING SERVICES:		
Management and general	1,260,522	1,148,096
Fundraising	215,388	226,799
	<u>12,316,846</u>	<u>10,640,847</u>
TOTAL EXPENSES		
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,641,733	(20,411)
NET ASSETS, BEGINNING OF YEAR	<u>4,942,406</u>	<u>4,962,817</u>
NET ASSETS, END OF YEAR	<u>\$ 6,584,139</u>	<u>\$ 4,942,406</u>

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

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
 IN THE DIOCESE OF ROCKVILLE CENTRE, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED SEPTEMBER 30, 2021
 (WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED
 SEPTEMBER 30, 2020)

	2021					2020				
	Program Services			Supporting Services		Program Services			Supporting Services	
	Stores and Community Programs	Dismas House	Total	Management and General	Fund Raising	Total Supporting Services	Cost of Direct Benefits of Special Event	Totals	2020 Totals	
EXPENSES:										
Salaries	\$2,324,945	\$ 190,637	\$ 2,648,022	\$ 724,405	\$ 109,079	\$ 833,484	\$ -	\$ 3,481,506	\$ 3,451,661	
Payroll taxes and employee benefits	648,110	44,552	731,837	170,397	31,489	201,886	-	933,723	860,026	
Total salaries and related expenses	2,973,055	235,189	3,379,859	894,802	140,568	1,035,370	-	4,415,229	4,311,687	
Utilities	82,018	-	89,491	15,898	-	15,898	-	105,389	92,461	
Repairs and maintenance	98,313	-	100,381	24,081	-	24,081	-	124,462	96,849	
Purchases (including in-kind donations)	5,580,526	-	5,580,526	-	-	-	-	5,580,526	4,227,531	
Supplies	74,878	612	75,866	21,005	491	21,496	-	97,362	98,226	
Truck expenses and hauling fees	372,945	-	372,945	-	-	-	-	372,945	352,299	
Licenses and permits	6,374	185	6,687	4,480	723	5,203	-	11,890	11,428	
Computer, telephone and office expenses	60,603	2,800	69,695	122,553	58,663	181,216	-	250,911	224,310	
Auto	3,330	70	4,178	3,521	120	3,641	-	7,819	9,562	
Insurance	92,552	6,495	108,789	55,152	-	55,152	-	163,941	151,347	
Professional fees	-	-	-	44,056	-	44,056	-	44,056	38,823	
Advertising and public relations	31,955	-	31,955	11,410	14,409	25,819	58,397	116,171	62,445	
Equipment rentals	11,752	-	11,752	11,979	-	11,979	-	23,731	27,332	
Interest	51,265	-	51,265	-	-	-	-	51,265	59,215	
Credit card charges and bank fees	49,991	-	49,991	7,121	60	7,181	-	57,172	33,093	
Depreciation	121,957	-	123,319	36,784	-	36,784	-	160,103	179,414	
Meetings and conventions	3,166	23,435	26,959	7,680	354	8,034	-	34,993	30,523	
Conference support	-	176,497	176,497	-	-	-	-	176,497	111,725	
Family assistance	280,790	288,420	569,210	-	-	-	-	569,210	508,319	
Training and development expenses	-	11,571	11,571	-	-	-	-	11,571	15,603	
Total expenses	9,895,470	745,274	10,840,936	1,260,522	215,388	1,475,910	58,397	12,375,243	10,642,192	
Cost of direct benefits of special event	-	-	-	-	-	-	(58,397)	(58,397)	(1,345)	
TOTAL EXPENSES REPORTED BY FUNCTION										
ON THE STATEMENT OF ACTIVITIES	\$9,895,470	\$ 745,274	\$ 10,840,936	\$ 1,260,522	\$ 215,388	\$ 1,475,910	\$ -	\$ 12,316,846	\$ 10,640,847	

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

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
 IN THE DIOCESE OF ROCKVILLE CENTRE, INC.
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021
 (WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED
 SEPTEMBER 30, 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,641,733	\$ (20,411)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	160,103	179,413
Interest - debt issuance costs	16,340	16,340
Net realized and unrealized gains on investments	(335,723)	(230,435)
Gain on disposal of fixed assets	-	(366,911)
Changes in assets and liabilities:		
Accounts receivable	(421,339)	93,576
Prepaid expenses	(17,132)	(11,100)
Inventory	(175,857)	(90,482)
Accounts payable and accrued expenses	176,440	(23,399)
Accrued compensated absences	47,938	42,158
Refundable advance	37,759	(41,183)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>1,130,262</u>	<u>(452,434)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(244,291)	(675,000)
Proceeds from sales of investments	299,825	509,088
Purchase of fixed assets	-	(26,608)
Proceeds from sale of fixed assets	-	377,680
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>55,534</u>	<u>185,160</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of mortgage payable	(218,726)	(210,776)
NET CASH USED IN FINANCING ACTIVITIES	<u>(218,726)</u>	<u>(210,776)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	967,070	(478,050)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>292,514</u>	<u>770,564</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,259,584</u>	<u>\$ 292,514</u>
SUPPLEMENTAL INFORMATION:		
Cash paid during the year for interest	<u>\$ 34,925</u>	<u>\$ 42,875</u>
NONCASH FINANCING ACTIVITIES		
Forgiveness of debt	<u>\$ 797,115</u>	<u>\$ 797,115</u>

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

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
IN THE DIOCESE OF ROCKVILLE CENTRE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 1 - Nature of Operations

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

The Society was incorporated as a not-for-profit corporation under the laws of the State of New York and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the "IRC").

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Summarized Comparative Totals

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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended September 30, 2020, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents include highly liquid investments with initial maturities when acquired of three months or less.

Investments

Investments are stated at the readily determinable fair market value in accordance with the Not-for-Profit Entities topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). All interest, dividends and realized and unrealized gains and losses are reported in the statement of activities as increases or decreases in net assets without donor restrictions.

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
IN THE DIOCESE OF ROCKVILLE CENTRE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a framework for measuring fair value is used which 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) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under ASC Topic 820, *Fair Value Measurement*, are described as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting the Society's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Refer to Note 4 for assets measured at fair value at September 30, 2021 in accordance with FASB ASC Topic 820.

Allowance for Doubtful Accounts

The Society determines whether an allowance for doubtful accounts should be provided for accounts receivable. Such estimates are based on management's assessment of the aged basis of the receivables, current economic conditions and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. The Society has determined an allowance for doubtful accounts was not necessary at September 30, 2021.

Inventory

Inventory, which consists primarily of donated clothing and furniture, are valued at values at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business.

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
IN THE DIOCESE OF ROCKVILLE CENTRE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fixed Assets

Fixed assets are recorded at cost, net of accumulated depreciation. The Society capitalizes all purchases of fixed assets equal to or in excess of \$2,500 and an estimate useful life of more than one year. Repairs and maintenance are charged to expense in the period incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. When items of fixed assets are sold or retired, the related costs and accumulated depreciation are removed from accounts and any gain or loss is included in revenue.

Estimated useful lives of the assets are as follows:

Buildings	25 to 40 years
Building improvements	10 years
Equipment	2 to 10 years

Debt Issuance Costs

Debt issuance costs were incurred in connection with the issuance of the Society's mortgage loan payable. These costs are amortized using the effective interest method over the term of the related indebtedness and are included in interest expense in the accompanying financial statements. In order to simplify the presentation, the Society reports the deferred financing costs as a direct deduction from the carrying amount of the corresponding debt liability.

Amortization expense related to capitalized loan and closing costs amounted to \$16,340 for the year ended September 30, 2021.

Refundable Advance

The Society recognizes assets received in a conditional contribution as refundable advances until the conditions have been substantially met or explicitly waived by the donor.

Net Assets

Net assets without donor restrictions include funds having no restrictions as to use or purpose imposed by donors. Net assets with donor restrictions include purpose restricted net assets whose use has been restricted by donors to a specific time period or purpose.

Contributions

Contributions are provided to the Society either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts - with or without donor restrictions. The value recorded for each contribution is recognized as follows:

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
 IN THE DIOCESE OF ROCKVILLE CENTRE, INC.
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2021

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions (cont'd.)

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restrictions</i>	
Gifts that depend on the Society overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e. the donor-imposed barrier is met
<i>Unconditional gifts, with or without restrictions</i>	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Undistributed gifts in-kind consists of various household items, clothing and furniture received as in-kind donations. These items represent inventory at year-end and are valued at the fair market value at the dates of donation. Revenue is recognized when items are received.

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
IN THE DIOCESE OF ROCKVILLE CENTRE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Revenue Recognition

Stores Income

Thrift store sales transactions are accounted for daily and recognized as revenue at the point of sale and upon the customers' acceptance. Typically, revenue recognition coincides with the timing of the purchase, at which point the Society has an unconditional right to consideration.

The Society recognizes revenue from customers through sales of a variety of goods, including, but not limited to, clothing, furniture and household items. As these performance obligations are similar in nature, the Society has elected to use the portfolio approach. The Society's transactions with customers generally result in goods transferred at a point in time with a single performance obligation.

Revenue is reported at the amount that reflects the consideration the Society expects to receive in exchange for goods. The Society invoices customers at the point of sale, on a daily basis. Receivables are due in full when billed, and revenue is recognized as performance obligations are satisfied at a point in time, on a daily basis as the sales occur.

Functional Allocation of Expenses

The cost of providing the Society's various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses such as insurance, advertising, travel and meetings and expense related to various individuals' salaries, benefits and payroll taxes are allocated based on actual time spent on the different program services, supporting activities and thrift store.

Accounting for Uncertainty in Income Taxes

The Society has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

The Society is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress. The Society believes it is no longer subject to income tax examinations for years prior to 2018.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the opening net assets.

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
IN THE DIOCESE OF ROCKVILLE CENTRE, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 2 - Summary of Significant Accounting Policies (cont'd.)

New Accounting Pronouncement

ASU No. 2016-02

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU is the result of a joint project of the FASB and the International Accounting Standards Board (“IASB”) to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements for U.S. GAAP and International Financial Reporting Standards (“IFRS”). The guidance in this ASU affects any entity that enters into a lease (as that term is defined in this ASU), with some specified scope exemptions. The guidance in this ASU will supersede FASB ASC Topic 840, *Leases*.

The ASU provides that lessees should recognize lease assets and lease liabilities on the balance sheet for leases previously classified as operating leases that exceed 12 months, including leases existing prior to the effective date of this ASU. It also calls for enhanced leasing arrangement disclosures.

For nonpublic entities, the amendments of ASU No. 2016-02 are effective for annual reporting periods beginning after December 15, 2021, and interim periods within annual periods beginning after December 15, 2022, based on the decision in ASU No. 2020-05 to defer the implementation dates. Early application is permitted for all entities.

The Society has not yet determined if this ASU will have a material effect on its financial statements.

Note 3 - Concentration of Credit Risk

The Society maintains cash balances in several financial institutions. Such balances are insured by the Federal Deposit Insurance Corporation (“FDIC”) for up to \$250,000 per institution. From time to time, the Society’s balances may exceed these limits.

Note 4 - Fair Value Measurement

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

Cash and cash equivalents and mutual funds held by investment managers are valued using Level 1 inputs. The funds held by the Society are deemed to be actively traded.

Fixed income securities are valued at quoted prices based on identical prices in active markets using Level 2 inputs.

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
 IN THE DIOCESE OF ROCKVILLE CENTRE, INC.
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2021

Note 4 - Fair Value Measurement (cont'd.)

The following table presents the fair value measurements of assets measured at fair value on a recurring basis and the level within the fair value hierarchy at September 30, 2021:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 476,627	\$ -	\$ -	\$ 476,627
Mutual funds	1,232,392	-	-	1,232,392
Fixed income	-	777,007	-	777,007
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 1,709,019</u>	<u>\$ 777,007</u>	<u>\$ -</u>	<u>\$ 2,486,026</u>

Note 5 - Fixed Assets

Fixed assets, net, are summarized as follows:

Land	\$ 1,337,117
Buildings and improvements	5,175,081
Equipment	423,658
	<u>6,935,856</u>
Less: Accumulated depreciation	<u>4,112,966</u>
	<u>\$ 2,822,890</u>

Depreciation expense related to fixed assets amounted to \$160,103 for the year ended September 30, 2021.

Note 6 - Mortgage Payable

Mortgage payable at September 30, 2021 is summarized as follows:

Mortgage payable to Flushing Bank, maturing on August 23, 2023, payable in monthly principal installments of \$14,888, including interest at a rate of 4.50%. The remaining balance of the loan is due in full upon maturity. The note is secured by real estate located in Huntington, New York.

	\$ 612,035
Less: Unamortized debt issuance costs	<u>38,665</u>
Mortgage payable, net	<u>\$ 573,370</u>

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
 IN THE DIOCESE OF ROCKVILLE CENTRE, INC.
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2021

Note 6 - Mortgage Payable (cont'd.)

Required principal payments on mortgage payable at September 30, 2021 are as follows:

<u>Years Ending September 31:</u>	
2022	\$ 154,071
2023	457,964
	\$ 612,035

Note 7 - Refundable Advance

In January 2021, the Society entered into a \$797,115 agreement with a financial institution under the Paycheck Protection Program (“PPP”), established by the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, administered by the Small Business Administration (“SBA”) with support from the Department of the Treasury. In September 2021, the Society was granted forgiveness for the full amount. As a result, the loan forgiveness is reported in public support on the statement of activities for the year ended September 30, 2021.

Refundable advance at September 30, 2021 consist primarily of amounts received through government contracts in advance of future spending.

Note 8 - Commitments

The Society has various noncancellable operating leases for certain trucks and office equipment which expire between February 2022 and February 2025, respectively.

Aggregate future minimum rental payments at September 30, 2021 are as follows:

<u>Years Ending September 31:</u>	
2022	\$ 285,509
2023	117,710
2024	111,193
2025	36,475
	\$ 550,887

Rent expense charged to operations for the year ended September 30, 2021 amounted to \$298,088.

Note 9 - Pension Plan

The Society has a defined contribution retirement plan covering all eligible employees. Contributions to the plan are based upon the base salary paid to each employee. The Society funds the plan on a current basis. For the year ended September 30, 2021, the Society contributed \$197,147 to the plan.

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 NOTES TO FINANCIAL STATEMENTS
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Note 10 - Contingencies

COVID-19

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to impact stores income, contribution income, the collectability of receivables and valuation of investments. Other financial impact could occur, though such potential impact is unknown at this time.

Paycheck Protection Program

The SBA may elect to undertake an audit of any loan in excess of \$150,000 during the six-year period following forgiveness or repayment of the PPP loan. The audit will include the loan forgiveness application, including whether the Society met the eligibility requirements of the program. The timing and outcome of the SBA review, in addition to any potential impact to the Society and on the Society's financial statements, are not yet known.

Note 11 - Available Resources and Liquidity

The Society regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Society has various sources of liquidity at its disposal, including cash and cash equivalents and investments.

The following reflects the Society's financial assets as of September 30, 2021:

Cash and cash equivalents	\$	1,259,584
Investments		2,486,026
Accounts receivable		<u>455,295</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>4,200,905</u></u>

Note 12 - Subsequent Events

The Society has evaluated all events or transactions that occurred after September 30, 2021 through March 31, 2022, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.