

**NATIONAL COUNCIL OF THE UNITED STATES,  
SOCIETY OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

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## Independent Auditors' Report

Board of Directors  
National Council of the United States,  
Society of St. Vincent de Paul, Inc. and Subsidiaries  
St. Louis, Missouri

### ***Opinion***

We have audited the accompanying consolidated financial statements of National Council of the United States, Society of St. Vincent de Paul, Inc. and Subsidiaries (a not-for-profit organization), which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of National Council of the United States, Society of St. Vincent de Paul, Inc. and Subsidiaries as of September 30, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of National Council of the United States, Society of St. Vincent de Paul, Inc. and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Council of the United States, Society of St. Vincent de Paul, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 National Council of the United States, Society of St. Vincent de Paul, Inc. and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Council of the United States, Society of St. Vincent de Paul, Inc. and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities are presented for purposes of additional analysis and are 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 audit 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.

*Anders Minkler Huber & Helms LLP*

March 21, 2025

**National Council of the United States,  
Society of St. Vincent de Paul, Inc. and Subsidiaries  
Consolidated Statements of Financial Position  
September 30, 2024 and 2023**

**Assets**

	<u>2024</u>	<u>2023</u>
Current Assets		
Cash and cash equivalents	\$ 1,361,238	\$ 2,769,116
Investments, at fair value	8,994,158	8,898,827
Accounts receivable, net	44,583	79,443
Interest receivable	18,377	18,161
Grants receivable	2,604,781	1,291,748
Inventories	581,505	385,793
Prepaid expenses and other current assets	487,717	380,570
Total Current Assets	<u>14,092,359</u>	<u>13,823,658</u>
Property and Equipment, net	2,257,831	1,959,813
Right-of-Use Assets	1,965,848	780,825
Bequest and Trust Receivable	62,500	186,000
Assets Held Under Split-interest Agreements	81,187	73,492
Total Assets	<u>\$ 18,459,725</u>	<u>\$ 16,823,788</u>

**Liabilities and Net Assets**

Current Liabilities		
Current maturities of lease liabilities	\$ 355,323	\$ 165,741
Current maturities of long-term debt	179,735	249,509
Accounts payable	1,653,767	1,289,319
Accrued salaries and payroll taxes	134,756	160,178
Escrow funds	600,345	569,447
Deferred revenue	54,742	23,829
Line of credit	700,000	-
Total Current Liabilities	<u>3,678,668</u>	<u>2,458,023</u>
Long-term Lease Liabilities	1,661,155	611,132
Long-term Debt	-	179,733
Liabilities Under Split-interest Agreements	62,942	58,140
Total Liabilities	<u>5,402,765</u>	<u>3,307,028</u>
Net Assets		
Without donor restrictions		
Available for general activities	5,875,179	6,088,441
Board designated funds	4,336,468	3,470,485
Total without donor restrictions	<u>10,211,647</u>	<u>9,558,926</u>
With donor restrictions	2,845,313	3,957,834
Total Net Assets	<u>13,056,960</u>	<u>13,516,760</u>
Total Liabilities and Net Assets	<u>\$ 18,459,725</u>	<u>\$ 16,823,788</u>

**National Council of the United States,  
Society of St. Vincent de Paul, Inc. and Subsidiaries  
Consolidated Statement of Activities  
Year Ended September 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support			
Contributions	\$ 3,480,643	\$ 1,569,755	\$ 5,050,398
Council solidarity dues	2,180,402	-	2,180,402
Private grants and contracts	331,628	1,606,891	1,938,519
Federal grant revenue	-	11,102,863	11,102,863
Publication and other sales	1,862,220	-	1,862,220
In-kind contributions	1,734,924	-	1,734,924
Investment income	1,456,033	171,868	1,627,901
Regions and other income	52,936	-	52,936
Meeting income	548,078	-	548,078
Net assets released from restrictions			
Satisfaction of time and usage restrictions	<u>15,563,898</u>	<u>(15,563,898)</u>	<u>-</u>
Total Revenue, Gains, and Other Support	<u>27,210,762</u>	<u>(1,112,521)</u>	<u>26,098,241</u>
Expenses			
Program Services	<u>22,055,499</u>	<u>-</u>	<u>22,055,499</u>
Supporting Activities			
Membership development	355,554	-	355,554
Management and general	2,288,494	-	2,288,494
Fundraising	<u>1,858,494</u>	<u>-</u>	<u>1,858,494</u>
Total Supporting Activities	<u>4,502,542</u>	<u>-</u>	<u>4,502,542</u>
Total Expenses	<u>26,558,041</u>	<u>-</u>	<u>26,558,041</u>
Change in Net Assets	652,721	(1,112,521)	(459,800)
Net Assets, Beginning of Year	<u>9,558,926</u>	<u>3,957,834</u>	<u>13,516,760</u>
Net Assets, End of Year	<u>\$10,211,647</u>	<u>\$ 2,845,313</u>	<u>\$13,056,960</u>

**National Council of the United States,  
Society of St. Vincent de Paul, Inc. and Subsidiaries  
Consolidated Statement of Activities  
Year Ended September 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support			
Contributions	\$ 4,578,419	\$ 2,708,906	\$ 7,287,325
Council solidarity dues	2,178,312	-	2,178,312
Private grants and contracts	3,451	2,535,061	2,538,512
Federal grant revenue	-	6,228,198	6,228,198
Publication and other sales	1,664,877	-	1,664,877
In-kind contributions	1,350,193	-	1,350,193
Investment income	779,541	85,850	865,391
Regions and other income	80,992	-	80,992
Meeting income	487,146	-	487,146
Net assets released from restrictions			
Satisfaction of time and usage restrictions	<u>11,686,140</u>	<u>(11,686,140)</u>	<u>-</u>
Total Revenue, Gains, and Other Support	<u>22,809,071</u>	<u>(128,125)</u>	<u>22,680,946</u>
Expenses			
Program Services	<u>16,767,220</u>	<u>-</u>	<u>16,767,220</u>
Supporting Activities			
Membership development	198,179	-	198,179
Management and general	2,139,503	-	2,139,503
Fundraising	<u>1,356,895</u>	<u>-</u>	<u>1,356,895</u>
Total Supporting Activities	<u>3,694,577</u>	<u>-</u>	<u>3,694,577</u>
Total Expenses	<u>20,461,797</u>	<u>-</u>	<u>20,461,797</u>
Change in Net Assets	2,347,274	(128,125)	2,219,149
Net Assets, Beginning of Year	<u>7,211,652</u>	<u>4,085,959</u>	<u>11,297,611</u>
Net Assets, End of Year	<u>\$ 9,558,926</u>	<u>\$ 3,957,834</u>	<u>\$13,516,760</u>



**National Council of the United States,  
Society of St. Vincent de Paul, Inc. and Subsidiaries  
Consolidated Statement of Functional Expenses  
Year Ended September 30, 2024**

	Program Services			Supporting Activities				Total Expenses
	Disaster	Council and Conference Assistance	Total	Membership Development	Management and General	Fundraising	Total	
Personnel Cost								
Salaries and payroll taxes	\$ 9,678,006	\$ 1,857,091	\$ 11,535,097	\$ 198,924	\$ 1,263,162	\$ 402,247	\$ 1,864,333	\$ 13,399,430
Benefit plan contributions	155,034	56,523	211,557	9,868	69,724	21,659	101,251	312,808
Staff insurance	1,126,693	251,936	1,378,629	40,437	163,223	89,114	292,774	1,671,403
Total Personnel Cost	10,959,733	2,165,550	13,125,283	249,229	1,496,109	513,020	2,258,358	15,383,641
Accounting	15,342	8,575	23,917	-	151,521	-	151,521	175,438
Administration	33,762	70,087	103,849	-	34,888	85,170	120,058	223,907
Advertising	1,405	30,215	31,620	13,190	26,978	74,346	114,514	146,134
Credit loss recovery	-	(2,070)	(2,070)	-	-	-	-	(2,070)
Computer maintenance	-	100,192	100,192	4,316	24,504	24,527	53,347	153,539
Depreciation	-	88,554	88,554	31,106	14,069	6,729	51,904	140,458
Disaster service supplies and assistance	947,338	150,819	1,098,157	-	-	-	-	1,098,157
Dues and subscriptions	6,425	38,212	44,637	-	6,879	7,836	14,715	59,352
Equipment rentals	-	56,760	56,760	-	-	-	-	56,760
Grants and allocations	218,000	1,337,479	1,555,479	-	-	-	-	1,555,479
Insurance	34,162	40,678	74,840	2,100	30,510	3,920	36,530	111,370
Interest	-	2,737	2,737	-	-	-	-	2,737
International council	-	281,248	281,248	-	-	-	-	281,248
Legal fees	41,651	10,089	51,740	-	136,291	13,993	150,284	202,024
Material and printing	5,620	40,437	46,057	3,183	3,293	6,158	12,634	58,691
Materials for resale	-	120,471	120,471	-	-	-	-	120,471
Meetings	755	794,009	794,764	-	8,143	7,886	16,029	810,793
Occupancy related	-	1,663	1,663	313	1,223	585	2,121	3,784
Office and postage	175,880	177,310	353,190	3,386	41,194	239,084	283,664	636,854
Other	3,062	(161)	2,901	-	19,860	-	19,860	22,761
Professional fees	484,690	129,800	614,490	40,749	121,687	727,683	890,119	1,504,609
Rent	102,779	220,294	323,073	-	60,066	-	60,066	383,139
Repairs and maintenance	3,153	73,202	76,355	3,572	14,976	6,667	25,215	101,570
Store cost of sales	-	1,679,081	1,679,081	-	-	-	-	1,679,081
Taxes - UBIT and real estate	-	4,515	4,515	-	282	-	282	4,797
Telephone	78,243	27,123	105,366	2,240	11,232	4,421	17,893	123,259
Training	599	650	1,249	-	9,327	379	9,706	10,955
Travel, meals, and entertainment	156,109	1,081,454	1,237,563	277	67,614	132,557	200,448	1,438,011
Utilities	2,354	55,464	57,818	1,893	7,848	3,533	13,274	71,092
Total Expenses	<u>\$ 13,271,062</u>	<u>\$ 8,784,437</u>	<u>\$ 22,055,499</u>	<u>\$ 355,554</u>	<u>\$ 2,288,494</u>	<u>\$ 1,858,494</u>	<u>\$ 4,502,542</u>	<u>\$ 26,558,041</u>

**National Council of the United States,  
Society of St. Vincent de Paul, Inc. and Subsidiaries  
Consolidated Statement of Functional Expenses  
Year Ended September 30, 2023**

	Program Services			Supporting Activities				
	Disaster	Council and Conference Assistance	Total	Membership Development	Management and General	Fundraising	Total	Total Expenses
Personnel Cost								
Salaries and payroll taxes	\$ 5,531,531	\$ 1,497,879	\$ 7,029,410	\$ 119,605	\$ 1,306,559	\$ 470,681	\$ 1,896,845	\$ 8,926,255
Benefit plan contributions	95,970	54,448	150,418	6,612	66,020	20,040	92,672	243,090
Staff insurance	556,843	270,192	827,035	30,179	160,094	105,308	295,581	1,122,616
Total Personnel Cost	6,184,344	1,822,519	8,006,863	156,396	1,532,673	596,029	2,285,098	10,291,961
Accounting	17,478	9,375	26,853	-	138,580	-	138,580	165,433
Administration	26,620	67,378	93,998	-	28,880	76,301	105,181	199,179
Advertising	4,680	36,707	41,387	-	30,477	5,111	35,588	76,975
Bad debt recovery	-	(22,000)	(22,000)	-	-	-	-	(22,000)
Computer maintenance	16,620	81,278	97,898	2,068	24,669	23,204	49,941	147,839
Depreciation	2,208	74,970	77,178	31,289	14,208	7,840	53,337	130,515
Disaster service supplies and assistance	1,486,799	-	1,486,799	-	-	-	-	1,486,799
Dues and subscriptions	7,264	29,766	37,030	-	9,058	6,228	15,286	52,316
Equipment rentals	-	32,781	32,781	-	-	-	-	32,781
Grants and allocations	-	2,248,235	2,248,235	-	-	-	-	2,248,235
Insurance	10,673	32,530	43,203	1,415	11,745	4,234	17,394	60,597
International council	-	272,035	272,035	-	-	-	-	272,035
Legal fees	43,238	31,047	74,285	-	87,483	8,592	96,075	170,360
Material and printing	6,963	47,627	54,590	-	2,292	9,885	12,177	66,767
Materials for resale	-	110,698	110,698	-	-	-	-	110,698
Meetings	1,298	479,980	481,278	-	23,676	50	23,726	505,004
Occupancy related	-	3,979	3,979	561	3,044	1,680	5,285	9,264
Office and postage	133,827	109,783	243,610	1,905	32,420	180,864	215,189	458,799
Other	6,453	204	6,657	-	8,266	-	8,266	14,923
Professional fees	285,936	102,289	388,225	-	35,893	399,658	435,551	823,776
Rent	81,095	155,714	236,809	-	51,746	-	51,746	288,555
Repairs and maintenance	8,260	53,168	61,428	1,684	9,135	5,041	15,860	77,288
Store cost of sales	-	1,437,186	1,437,186	-	-	-	-	1,437,186
Taxes - UBIT and real estate	-	9,309	9,309	-	-	-	-	9,309
Telephone	49,075	18,779	67,854	1,449	10,976	4,608	17,033	84,887
Training	-	740	740	-	3,256	1,939	5,195	5,935
Travel, meals, and entertainment	106,399	993,147	1,099,546	-	72,122	21,405	93,527	1,193,073
Utilities	3,153	45,613	48,766	1,412	8,904	4,226	14,542	63,308
Total Expenses	<u>\$ 8,482,383</u>	<u>\$ 8,284,837</u>	<u>\$ 16,767,220</u>	<u>\$ 198,179</u>	<u>\$ 2,139,503</u>	<u>\$ 1,356,895</u>	<u>\$ 3,694,577</u>	<u>\$ 20,461,797</u>

**National Council of the United States,  
Society of St. Vincent de Paul, Inc. and Subsidiaries  
Consolidated Statements of Cash Flows  
Years Ended September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (459,800)	\$ 2,219,149
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	140,458	130,515
Donated securities	(62,814)	(100,039)
Realized gain from sales of investments	(353,746)	(126,212)
Unrealized gain on investments	(1,045,682)	(553,722)
Change in allowance for credit losses	2,070	22,000
Change in value of split interest annuity agreements	(2,893)	(1,387)
Noncash lease expense	55,867	(3,952)
(Increase) decrease in assets:		
Accounts receivable	32,790	(72,125)
Grants receivable	(1,313,033)	(378,813)
Interest receivable	(216)	(5,084)
Inventories	(195,712)	(43,362)
Prepaid expenses and other current assets	(107,147)	5,230
Bequest and trust receivable	123,500	(151,000)
Increase (decrease) in liabilities:		
Accounts payable	364,448	51,751
Accrued salaries and payroll taxes	(25,422)	50,971
Escrow funds	30,898	23,661
Deferred revenue	30,913	(11,685)
Net Cash Provided by (Used in) Operating Activities	<u>(2,785,521)</u>	<u>1,055,896</u>
Cash Flows From Investing Activities		
Purchases of investments	(702,750)	(204,292)
Proceeds from sales of investments	2,069,661	46,440
Purchases of property and equipment	(438,476)	(221,975)
Net Cash Provided by (Used in) Investing Activities	<u>928,435</u>	<u>(379,827)</u>
Cash Flows From Financing Activities		
Payments on long-term debt	(249,507)	(247,046)
Borrowings on line of credit	2,703,152	-
Payments on line of credit	(2,003,152)	-
Payments on finance lease obligation	(1,285)	-
Net Cash Provided by (Used in) Financing Activities	<u>449,208</u>	<u>(247,046)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,407,878)	429,023
Cash and Cash Equivalents, Beginning of Year	<u>2,769,116</u>	<u>2,340,093</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,361,238</u>	<u>\$ 2,769,116</u>

(Continued)

**National Council of the United States,  
Society of St. Vincent de Paul, Inc. and Subsidiaries  
Consolidated Statements of Cash Flows  
Years Ended September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Supplemental Disclosures of Cash Flow Information		
Cash Paid for Interest	\$ 16,994	\$ 5,631

**Noncash Operating and Financing Activities**

During fiscal years 2024 and 2023, the Organization capitalized right-of-use assets totaling \$1,439,628 and \$936,723, respectively, for assets under leases with corresponding lease liabilities for \$1,433,789 and \$928,298, respectively.

**National Council of the United States,  
Society of St. Vincent de Paul, Inc. and Subsidiaries  
Notes to Consolidated Financial Statements  
September 30, 2024 and 2023**

**1. Nature of Operations and Basis of Presentation**

**Organization**

The National Council of the United States, Society of St. Vincent de Paul, Inc. ("National Council"), a not-for-profit organization, was established in 1914 and incorporated in 1946, and receives support from various areas across the United States of America with the purpose of providing a means for its members to grow in holiness while offering person to person service to those who are needy and suffering.

In June 2017, Society of St. Vincent de Paul National Foundation ("National Foundation"), a wholly-owned subsidiary was formed. National Foundation is a not-for-profit organization, whose purpose is to organize and manage a national fundraising program to provide continuing support solely to the National Council to assist in fulfilling its charitable mission and purpose.

In February 2017, Disaster Services Corporation - Society of St. Vincent de Paul USA ("DSC"), a wholly-owned subsidiary was formed. DSC is a not-for-profit organization whose purpose is to organize, oversee, and implement the National Council's disaster response to national and regional man-made and natural disasters. DSC provides a wide-range of disaster recovery related services including disaster preparation and recovery training, disaster relief and recovery assistance, capacity building, training, education, and administration of disaster programs. Sometimes DSC collaborates with other disaster relief and recovery agencies, organizations, and businesses to provide the optimum post-first responder long-term recovery assistance to those in need.

In September 2019, the Society of St. Vincent de Paul National Stores ("National Stores"), a not-for-profit organization, was formed to provide clothing and household items to individuals and families in need and to serve as a Society of St. Vincent de Paul Thrift Store best practices training facility for National Council members.

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of the National Council, National Foundation, DSC, and National Stores (collectively referred to as the "Society" or the "Organization"). All significant inter-entity accounts and transactions have been eliminated in the consolidation.

**Description of Programs and Services**

The Society provides a wide range of human services to people in need in the form of member Council and Conference assistance, and disaster assistance for the poor. The Society offers its members spiritual and leadership development, training, and program development, as well as tangible assistance to those in need on a person-to-person basis. This aid may take the form of consultation, intervention, or through direct dollar or in-kind services.

**National Council of the United States,  
Society of St. Vincent de Paul, Inc. and Subsidiaries  
Notes to Consolidated Financial Statements  
September 30, 2024 and 2023**

Programs and services are provided in the following principal areas:

Disaster Relief - The Society provides assistance including food and support directly to those in need, as well as training and assistance to Society members as they assist victims in times of natural disaster.

Council and Conference Assistance - The Society provides assistance in the form of spiritual and leadership development, training, and program development to Society member Councils and Conferences in their work in providing person-to-person assistance to the poor in their local communities.

Thrift Store - The Society, via National Stores, accepts donations of new and slightly used clothing and household items to sell at affordable prices to needy individuals and families, while operating as a best practice training facility for Society member Thrift Stores nationwide. Local Council-operated stores also collect household goods and clothing for sale and for distribution at no charge to families in need as determined by local Vincentian groups.

**Basis of Presentation**

The accompanying consolidated financial statements have been prepared in accordance with the provisions of Financial Accounting Standards Board ("FASB"), Accounting Standards Codification (the "FASB ASC"), which is the source of authoritative, non-governmental accounting principles generally accepted in the United States of America ("GAAP"). All references to authoritative accounting guidance contained in our disclosures are based on the general accounting topics within the FASB ASC.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Society and changes therein are classified into two categories of net assets, as applicable, and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. Board designated funds are established by the Board of Directors and represent net assets without donor restrictions that have been set aside for particular purposes.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may be satisfied by specific activities or the passage of time, or are required to be maintained in perpetuity by the Society. The income earned on any related investments may be subject to donor-imposed stipulations.

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**2. Summary of Significant Accounting Policies**

**Use of Estimates**

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Fair Value Measurements**

The Society follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. The three general valuation techniques used to measure fair value are the market approach, cost approach, and income approach.

**Cash and Cash Equivalents**

The Society considers all short-term investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

**Investments**

The Society carries investments at fair value with unrealized holding gains and losses included in earnings. Realized gains and losses are included in earnings and are derived using the average cost method for determining the cost of securities sold. Dividend and interest income is recognized when earned.

**Accounts Receivable**

Accounts receivable consist primarily of amounts due related to contributions. Accounts receivable also consists of amounts due related to solidarity contributions, meeting income, and other income. Changes in the estimate of uncollectible amounts are recorded as those circumstances become known and recognized as credit loss expense in the consolidated statements of activities.

The Society provides an allowance for credit losses equal to the estimated losses that will be incurred in the collection of accounts receivable, if any. The allowance is based on multiple factors, including historical experience, the credit quality of the donor base, the aging of accounts receivable, current economic conditions, and management's expectations of conditions in the future, as applicable. The allowance and associated accounts receivable are reduced when the receivables are determined to be uncollectible. The allowance for credit losses totaled \$930 and \$3,000 as of September 30, 2024 and 2023, respectively.

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The Society's accounts receivables are disaggregated and pooled by aging categories. Accounts past due 90 days or more are evaluated for loss individually on a donor by donor basis. For all other aging categories, the risk of loss is assessed over the contractual life of the accounts receivable and the historical loss amounts for each pool are adjusted for current and future conditions based on management's qualitative considerations.

**Grants Receivable**

Grants receivable include amounts due from various funding sources under binding contracts with the Society for services rendered prior to year-end.

**Inventories**

Inventory consists of printed program specific materials and supplies held for sale to National Council members, goods held for distribution to a DSC program, and new and donated items held for sale by National Stores. Inventory is a mix of items contributed by individuals, organizations, commercial enterprises, or purchased by the Society. Purchased inventory is stated at the lower of cost or net realizable value. Donated inventory is valued at an estimated net realizable value based on historical sales. Cost is determined by the first in, first out ("FIFO") method and market is considered the lower of prevailing replacement cost or net realizable value.

**Property and Equipment**

Property and equipment acquisitions with a life of one year or greater and a cost in excess of \$3,000 are capitalized and recorded at cost, while maintenance and repairs are expensed as incurred. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts. Any gain or loss arising from such disposition is included as income or expense in the year of disposition.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The estimated lives for computing depreciation on property and equipment are:

<u>Classification</u>	<u>Years</u>
Building and improvements	40
Office furniture and equipment	3-10
Database software	5



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**Leases**

The Society leases certain equipment, vehicles, and office space. The Society assesses whether an arrangement qualifies as a lease (conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are modified. The Society has recognized a liability representing the future lease payments and a right-of-use ("ROU") asset representing its right to use the underlying asset for the lease term. As most of the leases do not provide an implicit rate, the Society elected to use the practical expedient to use the risk-free rate of return at the commencement date in determining the present value of lease payments. The Society has elected to treat leases with a lease term of 12 months or less as short term leases and are not recorded on the consolidated statements of financial position. Lease expense is recognized on a straight-line basis over the lease term for short term leases, and variable lease expenses are recognized in the period in which they are incurred. The Society has elected not to separate lease components from nonlease components when allocating consideration under the terms of the lease.

The Society's leases may include one or more options to renew, with renewal terms that can extend the lease term up to 5 years. The exercise of lease renewal options is at the Society's sole discretion. The Society has determined certain lease renewal options will be exercised, and have included them in the ROU asset and lease liability. In determining which renewal options the Society is likely to execute, management reviewed the need for the location, the improvements at that location, the cost to move operations at that facility, and the possibility of relocation.

The lease agreements include charges for common area maintenance, and are billed to the Society monthly based on the expected charges for the year by the lessor. The Society has elected to treat these charges as variable lease payments and these variable lease payments are included in lease expense in the period the obligation is incurred. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

**Split-Interest Agreements**

Under charitable gift annuity contracts, the Society receives immediate and unrestricted title to contributed assets and agrees to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the annuity liability is recorded as a contribution without donor restriction. In subsequent years, the liability for future annuity payments is reduced by payments made to the specified beneficiaries and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year. Upon termination of the annuity contract, the remaining liability is removed and recognized as income.

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The Society has various gift annuities. The amount of net present value of the guaranteed payments to beneficiaries under these gift annuity contracts is based upon life expectancies and discount rates.

### **Long-Lived Asset Impairment**

The Society evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. Management does not believe any impairment exists as of September 30, 2024 or 2023.

### **Escrow Funds**

The escrow funds liability represents funding from other Councils and Conferences that have ceased operations, but still had open bank balances. Per the Society's bylaws, these Councils and Conferences are required to remit cash to the Society until they reopen or meet certain objectives. The Society has the escrow funds in a separate investment account included in investments along with an escrow liability both of which are included in the consolidated statements of financial position.

### **Endowment Fund**

The State of Missouri enacted the State Prudent Management of Institutional Funds Act ("SPMIFA") effective August 28, 2009. The Society follows FASB guidance on accounting for the net assets classification of restricted endowment funds for a not-for-profit organization that is subject to the enacted version of the SPMIFA. The Society has determined that the donor restricted contributions meet the definition of endowment funds under SPMIFA.

The Society has interpreted the SPMIFA as requiring the preservation of the original gift amount. As a result of this interpretation, the Society classifies the original value of gifts donated to the permanent endowment as net assets with donor restrictions. The remaining portion of funds is appropriated for expenditure by the Society in a manner consistent with the standard of prudence prescribed by SPMIFA.

### **Support and Revenue**

Contributions and grants are recorded as received. All contributions and grants are available for general activities unless specifically restricted by the donor. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

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Grant and program revenue is generally recognized as income in the period that specific services are provided.

Council solidarity dues do not contain a contribution element and are recognized over the membership period as members simultaneously receive and consume the benefits of the membership. Cash received in advance associated with subsequent year's dues are recognized as dues in advance and is recognized on a straight-line basis over the period for which the dues relate. Publications and other sales are recognized at point-in-time at the time of sale. Meeting income is recognized over time over the duration of the meeting, which is typically one to three days in length.

**Donated Materials (In-Kind)**

Donated noncash assets are recorded as contributions at their fair values at the date of donation.

**Functional Expense Allocation**

The costs of program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs services and supporting activities benefited.

**Income Taxes**

The Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"), except on net income derived from unrelated business activities as defined in the Code. Accordingly, the Society files as a tax exempt organization.

The Society follows guidance issued by the FASB on accounting for income taxes and has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings, and believes that no provision for income taxes is necessary to cover any uncertain tax positions. The Society's returns for tax years 2020 and later remain subject to examination by taxing authorities.

**Reclassifications**

Certain amounts in the 2023 consolidated financial statements have been reclassified to conform to the 2024 presentation.

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**3. Change in Accounting Principle**

Effective October 1, 2023, the Society adopted ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended. FASB ASC 326 replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of future credit losses for the remaining estimated lives of financial assets based on relevant information about historical experience, current conditions, and reasonable and supportable financial forecasts that affect the collectibility of the reported amounts. The measurement of expected credit losses under CECL is applicable to financial assets measured at amortized cost. Such assets are presented at the net amount expected to be collected over their remaining contractual lives using an allowance for credit losses.

The Society elected to adopt FASB ASC 326 using the modified retrospective method for all financial assets measured at amortized cost. Results for reporting periods beginning October 1, 2023, and after, are presented under FASB ASC 326, while prior period amounts continue to be reported in accordance with previously applicable accounting standards. There were no transition adjustments for the adoption of FASB ASC 326.

**4. Investments**

A summary of the fair value of the Society's investments as of September 30, is as follows:

	2024	2023
Money market funds	\$ 673,979	\$ 719,197
Exchange trade funds	201,945	11,015
Common stocks	19,450	-
Mutual funds:		
Small cap	42,549	39,938
Large cap	623,423	463,853
U.S. core equity	3,175,422	3,063,638
International	257,582	263,027
Emerging markets	300,528	253,300
Real estate	154,903	143,940
Fixed income	293,098	615,801
Certificates of deposit	1,089,426	1,394,939
Government bonds	2,161,853	1,930,179
	<u>\$ 8,994,158</u>	<u>\$ 8,898,827</u>

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**5. Fair Value Measurements**

The framework for measuring fair value establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into Levels 1, 2, and 3. 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). The three levels of the fair value hierarchy are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical instruments in active markets.
Level 2	Inputs to the valuation methodology to include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, inputs other than quoted prices that are observable for the instrument, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The instruments' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for instruments measured at fair value.

Level 1	Instruments consist of money market funds, exchange traded funds, common stock, and mutual funds. Exchange traded funds, common stock, and mutual funds are traded on national exchanges and are stated at the last reported sales price on the day of valuation. Money market funds are valued at the net asset value ("NAV") of shares held by the Society at year end based on quoted market prices.
Level 2	Instruments consist of certificates of deposit and government bonds. These securities are valued using evaluated pricing, which incorporates modeling techniques, information from extensive market sources, observed transaction data, credit quality information, perceived market movements, news, and other relevant information.
Level 3	Instruments consists of split-interest agreements. These investments are valued at a price provided by a counterparty or fund manager.

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The following table presents the fair value measurements of instruments recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements are categorized at September 30:

	2024			
	Total	Fair Value Measurements		Level 3
		Level 1	Level 2	
Investments:				
Money market funds	\$ 673,979	\$ 673,979	\$ -	\$ -
Exchange traded funds	201,945	201,945	-	-
Common stock	19,450	19,450	-	-
Mutual funds:				
Small cap	42,549	42,549	-	-
Large cap	623,423	623,423	-	-
U.S. core equity	3,175,422	3,175,422	-	-
International	257,582	257,582	-	-
Emerging markets	300,528	300,528	-	-
Real estate	154,903	154,903	-	-
Fixed income	293,098	293,098	-	-
Certificates of deposit	1,089,426	-	1,089,426	-
Government bonds	2,161,853	-	2,161,853	-
Total Investments	8,994,158	5,742,879	3,251,279	-
Split-interest agreements	81,187	-	-	81,187
	<u>\$ 9,075,345</u>	<u>\$ 5,742,879</u>	<u>\$ 3,251,279</u>	<u>\$ 81,187</u>
	2023			
	Total	Fair Value Measurements		Level 3
		Level 1	Level 2	
Investments:				
Money market funds	\$ 719,197	\$ 719,197	\$ -	\$ -
Exchange traded funds	11,015	11,015	-	-
Mutual funds:				
Small cap	39,938	39,938	-	-
Large cap	463,853	463,853	-	-
U.S. core equity	3,063,638	3,063,638	-	-
International	263,027	263,027	-	-
Emerging markets	253,300	253,300	-	-
Real estate	143,940	143,940	-	-
Fixed income	615,801	615,801	-	-
Certificates of deposit	1,394,939	-	1,394,939	-
Government bonds	1,930,179	-	1,930,179	-
Total Investments	8,898,827	5,573,709	3,325,118	-
Split-interest agreements	73,492	-	-	73,492
	<u>\$ 8,972,319</u>	<u>\$ 5,573,709</u>	<u>\$ 3,325,118</u>	<u>\$ 73,492</u>

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The following tables represent the Society's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs for those inputs measured on a nonrecurring basis at September 30,:

<u>2024</u>	<u>Fair Value</u>	<u>Valuation Technique(s)</u>	<u>Unobservable Inputs</u>
Split-interest agreements	\$ 81,187	Fair value of trust assets	Undistributed income

  

<u>2023</u>	<u>Fair Value</u>	<u>Valuation Technique(s)</u>	<u>Unobservable Inputs</u>
Split-interest agreements	\$ 73,492	Fair value of trust assets	Undistributed income

**6. Inventory**

The components of inventory at September 30, are as follows:

	<u>2024</u>	<u>2023</u>
Thrift store donated inventory	\$ 381,982	\$ 186,315
Thrift store other inventory	28,496	5,815
Printed program specific materials and supplies	171,027	193,663
	<u>\$ 581,505</u>	<u>\$ 385,793</u>

**7. Property and Equipment**

Property and equipment at September 30, is as follows:

	<u>2024</u>	<u>2023</u>
Land	\$ 198,400	\$ 198,400
Building and improvements	1,899,966	1,617,382
Office furniture and equipment	321,904	181,405
Database software	204,088	278,088
	<u>2,624,358</u>	<u>2,275,275</u>
Less accumulated depreciation	366,527	315,462
	<u>\$ 2,257,831</u>	<u>\$ 1,959,813</u>

Depreciation expense for the years ended September 30, 2024 and 2023 totaled \$140,458 and \$130,515, respectively.

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**8. Leases**

The Society has operating and finance leases of certain equipment, vehicles, and office space. The following summarizes the line items in the consolidated statements of financial position which include the ROU assets and lease liabilities for the years ended September 30,:

	<u>2024</u>	<u>2023</u>
Operating Leases		
Right-of-use assets	<u>\$ 1,949,001</u>	<u>\$ 780,825</u>
Current maturities of lease liabilities	\$ 351,153	\$ 165,741
Long-term lease liabilities	<u>1,648,131</u>	<u>611,132</u>
Total operating lease liabilities	<u>\$ 1,999,284</u>	<u>\$ 776,873</u>
Finance Lease		
Right-of-use asset	<u>\$ 16,847</u>	<u>\$ -</u>
Current maturity of lease liability	\$ 4,170	\$ -
Long-term lease liability	<u>13,024</u>	<u>-</u>
Total finance lease liability	<u>\$ 17,194</u>	<u>\$ -</u>

The following summarizes the weighted average remaining lease term and discount rate as of September 30,:

	<u>2024</u>	<u>2023</u>
Weighted Average Remaining Lease Term		
Operating leases	6.2 years	6.1 years
Finance lease	3.6 years	-
Weighted Average Discount Rate		
Operating leases	4.3 %	3.9 %
Finance lease	10.5 %	- %

The maturities of lease liabilities as of September 30, 2024 are as follows:

<u>Years Ending September 30,</u>	<u>Operating</u>	<u>Finance</u>
2025	\$ 427,902	\$ 5,728
2026	385,736	5,728
2027	315,308	5,728
2028	313,953	3,342
2029	313,723	-
Thereafter	<u>515,739</u>	<u>-</u>
Total Lease Payments	2,272,361	20,526
Less: Present Value Discount	<u>273,077</u>	<u>3,332</u>
Present Value of Lease Liabilities	<u>\$ 1,999,284</u>	<u>\$ 17,194</u>



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The components of lease expense, included in equipment rentals and rent expense on the consolidated statements of functional expenses for the years ended September 30, are as follows:

	<u>2024</u>	<u>2023</u>
Finance lease expense:		
ROU asset amortization	\$ 1,959	\$ -
Interest expense	774	-
Operating lease expense	295,234	188,501
Short-term lease expense	78,767	74,356
Variable lease expense	76,713	58,479
Total lease expense	<u>\$ 453,447</u>	<u>\$ 321,336</u>

The following summarizes cash flow information related to leases for the years ended September 30,:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 243,648	\$ 184,549
Operating cash flows from finance lease	625	-
Financing cash flows from finance lease	1,285	-

**9. Lines of Credit**

The National Council has a line of credit agreement of \$250,000 scheduled to expire on July 29, 2025. Borrowings are charged interest at U.S. Prime Rate (8 percent at September 30, 2024) less 0.65 percent and are secured by certain investments of the National Council. At September 30, 2024 and 2023, there were no borrowings outstanding under the line of credit agreement.

DSC has a line of credit agreement of \$700,000 scheduled to expire on October 16, 2024. Borrowings are charged interest at SOFR rate (4.96 percent at September 30, 2024) plus 4.61 percent. At September 30, 2024, there were borrowings outstanding under the line of credit agreement of \$700,000. At September 30, 2023, there were no borrowings outstanding under the line of credit.

In May 2024, National Stores entered into a line of credit agreement of \$300,000 with the National Council scheduled to expire on May 2, 2027. Borrowings are charged interest at 5 percent. At September 30, 2024, there were borrowings outstanding under the line of credit agreement of \$189,352, which were eliminated upon consolidation.

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**10. Long-term Debt**

Long-term debt at September 30, is as follows:

	<u>2024</u>	<u>2023</u>
DSC's Paycheck Protection Program ("PPP") loan with consecutive monthly principal and interest payments at an interest rate of 1.00 percent; monthly principal payments of \$21,054 beginning September 2021; the note matures in April 2025.	\$ 179,735	\$ 429,242
Less current maturities	<u>179,735</u>	<u>249,509</u>
	<u>\$ -</u>	<u>\$ 179,733</u>

In April 2020, DSC applied for and received approval for a loan under the PPP established by the CARES Act totaling \$1,487,330. In July 2021, DSC applied for and was notified that \$557,732 of its loan was forgiven and the remaining loan balance was extended to the fifth anniversary of the original disbursement date of the the loan, April 2025. Principal payments on the loan totaling \$21,054 began on September 1, 2021 and are payable in monthly installments through April 2025.

Maturities of long-term debt as of September 30, 2024, are as follows:

Year Ending September 30,

2025	\$ 179,735
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National Stores has a promissory note of \$500,000 with the National Council. Borrowings are charged interest at 1.25 percent. The note requires interest-only payments beginning with all outstanding principal and interest due on February 1, 2026. At September 30, 2024 and 2023, there were borrowings of \$494,000 and \$500,000 outstanding, respectively, which were eliminated upon consolidation.

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**11. Liquidity and Availability of Financial Assets**

The following reflects Society's financial assets as of September 30, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Board approves that action.

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,361,238	\$ 2,769,116
Investments, at fair value	5,735,273	5,296,059
Accounts receivable, net	44,583	79,443
Grants receivable	2,604,781	1,291,748
Contractual or donor-imposed restrictions and internal designations:		
Board designated funds	(4,336,468)	(3,470,485)
Donor restrictions	<u>(2,845,313)</u>	<u>(3,957,834)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u><u>\$ 2,564,094</u></u>	<u><u>\$ 2,008,047</u></u>

Although the Society does not intend to spend from its Board designated funds, as described in Note 13, (other than amounts appropriated for general expenditure as part of the Board of Directors' annual budget approval and appropriation), these amounts could be made available if necessary.

The Society's primary sources of support are contributions, grants, Council solidarity dues, and investment income. Some support is required to be used in accordance with the purpose restrictions imposed by the donors. As part of a liquidity management plan, the Society invests cash in short-term investments. The investments total above excludes investments that will mature subsequent to one year from the consolidated statements of financial position date and escrow investments that are not available to management.

**12. Related Party Transactions**

The Society receives support from the Society's Councils located in the United States of America noted as Council solidarity. Each Council is charged a fee per year based on the Councils' revenues. This support is used for general administration of the Society. The Society received solidarity and other support for other activities of the Organization from Councils and Conferences in the amounts of \$2,816,043 and \$3,927,991 and paid support to Councils and Conferences in the amounts of \$939,056 and \$1,300,151 for the years ended September 30, 2024 and 2023, respectively. There are also various other disaster grants paid to Councils and Conferences.

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The Society supports the International Council General, Society of St. Vincent de Paul, Inc. located in Paris, France. The amount remitted was \$281,248 and \$272,035 for the years ended September 30, 2024 and 2023, respectively. The Society paid additional support to international Councils totaling \$383,416 and \$598,416 for the years ended September 30, 2024 and 2023, respectively.

**13. Board Designated Funds**

The Society's Board of Directors has designated a portion of net assets without donor restrictions to support the operations of the Society. The composition of and changes in Board designated net assets were as follows for the years ended at September 30, as follows:

	<u>2024</u>	<u>2023</u>
Board designated net assets, beginning of year	\$ 3,470,485	\$ 2,729,302
Contributions	548,869	675,416
Investment income, net	72,352	52,036
Net appreciation	647,544	285,665
Amounts appropriated for expenditure	<u>(402,782)</u>	<u>(271,934)</u>
Board designated net assets, end of year	<u>\$ 4,336,468</u>	<u>\$ 3,470,485</u>

The Society's Board of Directors has designated net assets without donor restrictions at September 30, as follows:

	<u>2024</u>	<u>2023</u>
Designated for special purpose fund	\$ 1,604	\$ 1,604
Designated for domestic extension/twinning fund	12,238	12,238
Designated for Domestic Humanitarian Issues fund	35,000	-
Designated for National Council support fund	537,367	215,051
Designated for Ozanam cause fund	219,734	219,734
Designated for direct mail revenue fund	251,961	207,750
Designated for bequests fund	<u>3,278,564</u>	<u>2,814,108</u>
	<u>\$ 4,336,468</u>	<u>\$ 3,470,485</u>

**National Council of the United States,  
Society of St. Vincent de Paul, Inc. and Subsidiaries  
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**14. Net Assets With Donor Restrictions**

Net assets with donor restrictions at September 30, are restricted for the following purposes:

	<u>2024</u>	<u>2023</u>
Domestic disaster	\$ 526,832	\$ 1,491,188
International relief and assistance	654,738	644,594
Friends of the poor	486,822	623,848
Committee and regional funds	51,622	54,279
Other funds	247,631	224,077
Grants	79,358	164,191
Building fund	384,187	387,273
House in a box program	414,123	368,384
	<u>\$ 2,845,313</u>	<u>\$ 3,957,834</u>

Net assets released from restrictions of purpose for the years ended September 30, are as follows:

	<u>2024</u>	<u>2023</u>
Domestic disaster	\$ 1,684,794	\$ 1,148,689
International relief and assistance	415,479	637,316
Friends of the poor	573,045	565,500
Friends of the poor walk	-	460,903
Committee and regional funds	187,403	189,107
Other funds	9,974	8,434
Grants	84,833	189,967
Building fund	150,141	64,133
House in a box program	1,353,463	2,194,298
Disaster case management	11,104,766	6,227,793
	<u>\$ 15,563,898</u>	<u>\$ 11,686,140</u>

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**15. Endowment Fund**

The National Foundation's endowment consists of an individual fund established to support the Society. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Society's endowment consists only of donor-designated funds; there were no board designated endowment funds during September 30, 2024 and 2023. The endowment fund is for general operating purposes. The endowment fund as of September 30, is as follows:

	<u>2024</u>	<u>2023</u>
Total original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 100,000	\$ 100,000
Accumulated investment gains	<u>27,160</u>	<u>3,365</u>
	<u>\$ 127,160</u>	<u>\$ 103,365</u>

Changes in endowment net assets for the years ended September 30, are as follows:

	<u>2024</u>	<u>2023</u>
Endowment net assets, beginning of year	\$ 103,365	\$ -
Contributions	-	100,000
Net appreciation	<u>23,795</u>	<u>3,365</u>
Endowment net assets, end of year	<u>\$ 127,160</u>	<u>\$ 103,365</u>

The Society has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to the Society, while also maintaining the purchasing power of those endowment assets over the long-term. Disbursements that would exceed the spending policies require the approval of the Board of Directors. The Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Society and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Society
- 7) The investment policies of the Society

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From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Society has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no such deficiencies as of September 30, 2024 and 2023.

**16. Contributed Nonfinancial Assets**

The Society received the following contributions of nonfinancial assets for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Donated inventory	\$ 1,734,924	\$ 1,350,193

Donated inventory received by the National Stores is recorded as in-kind contributions on the consolidated statements of activities with a corresponding increase to inventory. Donated inventory is valued at an estimated net realizable value based on historical sales. Donated inventory is sold to generate money to use in the operations of the Society's programs.

**17. Retirement Plan**

The Society maintains a contributory retirement savings plan under Section 403(b) of the Code covering substantially all employees who meet certain eligibility requirements. Contributions for the years ended September 30, 2024 and 2023 totaled \$312,808 and \$243,090, respectively.

**18. Risks and Uncertainties**

**Concentration of Credit Risk**

Financial instruments, which potentially subject the Society to concentrations of credit risk, consist principally of cash and cash equivalents, receivables, and investments. The Society maintains its cash with four major financial institutions. Deposits at these banks are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of September 30, 2024, the Society had deposits of approximately \$680,000 in excess of FDIC limits. The Society performs ongoing credit evaluations of its customers and maintains allowances, as needed, for potential credit losses. Although the Society is directly affected by the financial stability of its customer base, management does not believe significant credit risk exists at September 30, 2024. The Society maintains its investments primarily with one brokerage firm. Securities held at this firm are insured by the Securities Investor Protection Corporation ("SIPC") up to \$500,000. As of September 30, 2024, the Society had securities of approximately \$7,300,000 in excess of SIPC limits.

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**Investments**

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

**19. Subsequent Events**

The Organization has evaluated subsequent events through March 21, 2025, the date the consolidated financial statements were available to be issued. In October 2024, DSC modified its line of credit agreement to extend the scheduled maturity date to October 22, 2026.

Subsequent to year end, DSC has experienced cash flow constraints resulting from delayed payments by certain federal or state agencies. These payments, which constitute a significant portion of DSC's grants receivable balance, have been temporarily withheld due to government reviews. As of March 21, 2025, the total amount of withheld payments is approximately \$2,300,000, which has impacted DSC's liquidity and ability to meet certain short-term obligations. In response, DSC has implemented various liquidity management strategies and is actively working with the relevant agencies to expedite the release of funds. While the timing of the payments remains uncertain, management believes that DSC has sufficient resources and financing alternatives to continue operating effectively. However, prolonged delays in receiving payments could further impact cash flow and financial stability.



**National Council of the United States,  
Society of St. Vincent de Paul, Inc. and Subsidiaries  
Consolidating Statement of Financial Position  
September 30, 2024**

	<b>Assets</b>					
	National Council	DSC	National Stores	National Foundation	Eliminations	Consolidated
<b>Current Assets</b>						
Cash and cash equivalents	\$ 444,924	\$ 630,794	\$ 233,438	\$ 52,082	\$ -	\$ 1,361,238
Investments, at fair value	8,167,819	-	-	826,339	-	8,994,158
Accounts receivable, net	81,085	-	3,144	-	(39,646)	44,583
Interest receivable	18,898	-	-	-	(521)	18,377
Notes receivable from related party	1,222,609	-	-	-	(1,222,609)	-
Grants receivable	-	2,604,781	-	-	-	2,604,781
Inventories	171,027	-	410,478	-	-	581,505
Prepaid expenses and other current assets	139,079	233,552	115,086	-	-	487,717
<b>Total Current Assets</b>	<b>10,245,441</b>	<b>3,469,127</b>	<b>762,146</b>	<b>878,421</b>	<b>(1,262,776)</b>	<b>14,092,359</b>
Property and Equipment, net	1,863,438	-	394,393	-	-	2,257,831
Right-of-Use Assets	10,260	146,946	1,808,642	-	-	1,965,848
Bequest and Trust Receivable	62,500	-	-	-	-	62,500
Assets Held Under Split-interest Agreements	81,187	-	-	-	-	81,187
<b>Total Assets</b>	<b>\$ 12,262,826</b>	<b>\$ 3,616,073</b>	<b>\$ 2,965,181</b>	<b>\$ 878,421</b>	<b>\$ (1,262,776)</b>	<b>\$ 18,459,725</b>
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities</b>						
Current maturities of lease liabilities	\$ 4,682	\$ 81,593	\$ 269,048	\$ -	\$ -	\$ 355,323
Current maturities of long-term debt	-	179,735	-	-	-	179,735
Accounts payable	155,688	1,502,907	14,054	25,175	(44,057)	1,653,767
Accrued salaries and payroll taxes	-	106,297	28,459	-	-	134,756
Escrow funds	600,345	-	-	-	-	600,345
Deferred revenue	54,742	-	-	-	-	54,742
Due to related party	-	-	-	535,367	(535,367)	-
Notes payable to related party	-	-	494,000	-	(494,000)	-
Lines of credit	-	700,000	189,352	-	(189,352)	700,000
<b>Total Current Liabilities</b>	<b>815,457</b>	<b>2,570,532</b>	<b>994,913</b>	<b>560,542</b>	<b>(1,262,776)</b>	<b>3,678,668</b>
Long-term Lease Liabilities	5,760	66,143	1,589,252	-	-	1,661,155
Liabilities Under Split-interest Agreements	62,942	-	-	-	-	62,942
<b>Total Liabilities</b>	<b>884,159</b>	<b>2,636,675</b>	<b>2,584,165</b>	<b>560,542</b>	<b>(1,262,776)</b>	<b>5,402,765</b>
<b>Net Assets</b>						
Without donor restrictions						
Available for general activities	4,914,530	408,236	381,016	171,397	-	5,875,179
Board designated funds	4,336,468	-	-	-	-	4,336,468
<b>Total without donor restrictions</b>	<b>9,250,998</b>	<b>408,236</b>	<b>381,016</b>	<b>171,397</b>	<b>-</b>	<b>10,211,647</b>
With donor restrictions	2,127,669	571,162	-	146,482	-	2,845,313
<b>Total Net Assets</b>	<b>11,378,667</b>	<b>979,398</b>	<b>381,016</b>	<b>317,879</b>	<b>-</b>	<b>13,056,960</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 12,262,826</b>	<b>\$ 3,616,073</b>	<b>\$ 2,965,181</b>	<b>\$ 878,421</b>	<b>\$ (1,262,776)</b>	<b>\$ 18,459,725</b>

**National Council of the United States,  
Society of St. Vincent de Paul, Inc. and Subsidiaries  
Consolidating Statement of Financial Position  
September 30, 2023**

	<b>Assets</b>					
	National Council	DSC	National Stores	National Foundation	Eliminations	Consolidated
<b>Current Assets</b>						
Cash and cash equivalents	\$ 1,275,073	\$ 1,015,084	\$ 450,438	\$ 28,521	\$ -	\$ 2,769,116
Investments, at fair value	8,661,169	-	-	237,658	-	8,898,827
Accounts receivable, net	108,133	-	93	420	(29,203)	79,443
Interest receivable	18,161	-	-	-	-	18,161
Notes receivable from related party	715,051	-	-	-	(715,051)	-
Grants receivable	-	1,296,748	-	-	(5,000)	1,291,748
Inventories	193,663	-	192,130	-	-	385,793
Prepaid expenses and other current assets	242,464	106,663	32,646	-	(1,203)	380,570
<b>Total Current Assets</b>	<b>11,213,714</b>	<b>2,418,495</b>	<b>675,307</b>	<b>266,599</b>	<b>(750,457)</b>	<b>13,823,658</b>
Property and Equipment, net	1,882,340	-	77,473	-	-	1,959,813
Right-of-Use Assets	10,219	102,791	667,815	-	-	780,825
Bequest and Trust Receivable	186,000	-	-	-	-	186,000
Assets Held Under Split-interest Agreements	73,492	-	-	-	-	73,492
<b>Total Assets</b>	<b>\$ 13,365,765</b>	<b>\$ 2,521,286</b>	<b>\$ 1,420,595</b>	<b>\$ 266,599</b>	<b>\$ (750,457)</b>	<b>\$ 16,823,788</b>
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities</b>						
Current maturities of lease liabilities	\$ 5,251	\$ 57,989	\$ 102,501	\$ -	\$ -	\$ 165,741
Current maturities of long-term debt	-	249,509	-	-	-	249,509
Accounts payable	830,217	690,279	10,245	9,035	(250,457)	1,289,319
Accrued salaries and payroll taxes	-	149,802	10,376	-	-	160,178
Escrow funds	569,447	-	-	-	-	569,447
Deferred revenue	23,829	-	-	-	-	23,829
Notes payable to related party	-	-	500,000	-	(500,000)	-
<b>Total Current Liabilities</b>	<b>1,428,744</b>	<b>1,147,579</b>	<b>623,122</b>	<b>9,035</b>	<b>(750,457)</b>	<b>2,458,023</b>
Long-term Lease Liabilities	4,968	45,936	560,228	-	-	611,132
Long-term Debt	-	179,733	-	-	-	179,733
Liabilities Under Split-interest Agreements	58,140	-	-	-	-	58,140
<b>Total Liabilities</b>	<b>1,491,852</b>	<b>1,373,248</b>	<b>1,183,350</b>	<b>9,035</b>	<b>(750,457)</b>	<b>3,307,028</b>
<b>Net Assets</b>						
Without donor restrictions						
Available for general activities	5,481,699	235,608	237,245	133,889	-	6,088,441
Board designated funds	3,470,485	-	-	-	-	3,470,485
<b>Total without donor restrictions</b>	<b>8,952,184</b>	<b>235,608</b>	<b>237,245</b>	<b>133,889</b>	<b>-</b>	<b>9,558,926</b>
With donor restrictions	2,921,729	912,430	-	123,675	-	3,957,834
<b>Total Net Assets</b>	<b>11,873,913</b>	<b>1,148,038</b>	<b>237,245</b>	<b>257,564</b>	<b>-</b>	<b>13,516,760</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 13,365,765</b>	<b>\$ 2,521,286</b>	<b>\$ 1,420,595</b>	<b>\$ 266,599</b>	<b>\$ (750,457)</b>	<b>\$ 16,823,788</b>

**National Council of the United States,  
Society of St. Vincent de Paul, Inc. and Subsidiaries  
Consolidating Statement of Activities  
Year Ended September 30, 2024**

	National Council	DSC	National Stores	National Foundation	Eliminations	Consolidated
Revenues, Gains, and Other Support						
Contributions	\$ 4,724,032	\$ 599,050	\$ 13,477	\$ 55,523	\$ (341,684)	\$ 5,050,398
Council solidarity dues	2,180,402	-	-	-	-	2,180,402
Private grants and contracts	-	2,296,519	-	-	(358,000)	1,938,519
Federal grant revenue	-	11,102,863	-	-	-	11,102,863
Publication and other sales	217,525	-	1,644,695	-	-	1,862,220
In-kind contributions	-	-	1,734,924	-	-	1,734,924
Investment income	1,574,069	-	8,168	53,313	(7,649)	1,627,901
Regions and other income (loss)	33,091	43,365	(7,649)	-	(15,871)	52,936
Meeting income	547,772	-	306	-	-	548,078
Total Revenues, Gains, and Other Support	<u>9,276,891</u>	<u>14,041,797</u>	<u>3,393,921</u>	<u>108,836</u>	<u>(723,204)</u>	<u>26,098,241</u>
Expenses						
Program Services	<u>6,075,279</u>	<u>13,458,392</u>	<u>3,245,032</u>	<u>-</u>	<u>(723,204)</u>	<u>22,055,499</u>
Supporting Activities						
Membership development	355,554	-	-	-	-	355,554
Management and general	1,604,259	674,837	5,118	4,280	-	2,288,494
Fundraising	1,737,045	77,208	-	44,241	-	1,858,494
Total Supporting Activities	<u>3,696,858</u>	<u>752,045</u>	<u>5,118</u>	<u>48,521</u>	<u>-</u>	<u>4,502,542</u>
Total Expenses	<u>9,772,137</u>	<u>14,210,437</u>	<u>3,250,150</u>	<u>48,521</u>	<u>(723,204)</u>	<u>26,558,041</u>
Change in Net Assets	(495,246)	(168,640)	143,771	60,315	-	(459,800)
Net Assets, Beginning of Year	<u>11,873,913</u>	<u>1,148,038</u>	<u>237,245</u>	<u>257,564</u>	<u>-</u>	<u>13,516,760</u>
Net Assets, End of Year	<u>\$ 11,378,667</u>	<u>\$ 979,398</u>	<u>\$ 381,016</u>	<u>\$ 317,879</u>	<u>\$ -</u>	<u>\$ 13,056,960</u>

**National Council of the United States,  
Society of St. Vincent de Paul, Inc. and Subsidiaries  
Consolidating Statement of Activities  
Year Ended September 30, 2023**

	National Council	DSC	National Stores	National Foundation	Eliminations	Consolidated
Revenues, Gains, and Other Support						
Contributions	\$ 6,888,021	\$ 754,645	\$ 14,011	\$ 34,909	\$ (404,261)	\$ 7,287,325
Council solidarity dues	2,178,312	-	-	-	-	2,178,312
Private grants and contracts	250,000	2,801,499	-	-	(512,987)	2,538,512
Federal grant revenue	-	6,228,198	-	-	-	6,228,198
Publication and other sales	246,958	-	1,417,919	-	-	1,664,877
In-kind contributions	-	-	1,350,193	-	-	1,350,193
Investment income	837,899	-	4,074	29,668	(6,250)	865,391
Regions and other income (loss)	18,796	62,196	(6,250)	-	6,250	80,992
Meeting income	487,146	-	-	-	-	487,146
Total Revenues, Gains, and Other Support	<u>10,907,132</u>	<u>9,846,538</u>	<u>2,779,947</u>	<u>64,577</u>	<u>(917,248)</u>	<u>22,680,946</u>
Expenses						
Program Services	<u>6,322,329</u>	<u>8,828,499</u>	<u>2,533,640</u>	<u>-</u>	<u>(917,248)</u>	<u>16,767,220</u>
Supporting Activities						
Membership development	198,179	-	-	-	-	198,179
Management and general	1,287,910	839,338	5,173	7,082	-	2,139,503
Fundraising	1,289,133	67,762	-	-	-	1,356,895
Total Supporting Activities	<u>2,775,222</u>	<u>907,100</u>	<u>5,173</u>	<u>7,082</u>	<u>-</u>	<u>3,694,577</u>
Total Expenses	<u>9,097,551</u>	<u>9,735,599</u>	<u>2,538,813</u>	<u>7,082</u>	<u>(917,248)</u>	<u>20,461,797</u>
Change in Net Assets	1,809,581	110,939	241,134	57,495	-	2,219,149
Net Assets (Deficit), Beginning of Year	<u>10,064,332</u>	<u>1,037,099</u>	<u>(3,889)</u>	<u>200,069</u>	<u>-</u>	<u>11,297,611</u>
Net Assets, End of Year	<u>\$ 11,873,913</u>	<u>\$ 1,148,038</u>	<u>\$ 237,245</u>	<u>\$ 257,564</u>	<u>\$ -</u>	<u>\$ 13,516,760</u>