



Consolidated Financial Statements,
Consolidating Information
and Supplementary Information

for

**SOCIETY OF ST. VINCENT DE PAUL,
COUNCIL OF LOUISVILLE, INC. AND
AFFILIATES**

For the Years Ended September 30, 2022 and 2021
with Report of Independent Auditors

CONTENTS

	<u>Pages</u>
Report of Independent Auditors.....	1 - 3
Consolidated Financial Statements:	
Statements of Financial Position.....	4
Statements of Activities.....	5
Statements of Functional Expenses.....	6
Statements of Cash Flows.....	7
Notes to the Consolidated Financial Statements.....	8 - 26
Consolidating Information:	
Consolidating Statement of Financial Position.....	27
Consolidating Statement of Activities.....	28
Consolidating Statement of Functional Expenses By Program.....	29
Supplementary Information:	
Schedule of Expenditures of Federal Awards.....	30
Notes to the Schedule of Expenditures of Federal Awards.....	31
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	32 - 33
Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	34 - 36
Schedule of Findings and Questioned Costs.....	37 - 38

Report of Independent Auditors

To the Board of Directors
Society of St. Vincent de Paul, Council of Louisville, Inc. and Affiliates
Louisville, Kentucky

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Society of St. Vincent de Paul, Council of Louisville, Inc. and Affiliates (SVDP Louisville), which comprise the consolidated statements of financial position as of September 30, 2022 and 2021, 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 (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SVDP Louisville as of September 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SVDP Louisville 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 Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SVDP Louisville's ability to continue as a going concern within one year after the date the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS and *Government 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 financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 SVDP Louisville's 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SVDP Louisville's 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.

Board of Directors
Society of St. Vincent de Paul, Council of Louisville, Inc. and Affiliates
Report of Independent Auditors, continued

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information on pages 27 through 29 and the supplementary Schedule of Expenditures of Federal Awards as presented on pages 30 and 31, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2023 on our consideration of SVDP Louisville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SVDP Louisville's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SVDP Louisville's internal control over financial reporting and compliance.

Dean Dotson Allen Ford, PLLC

Louisville, Kentucky
June 20, 2023

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Consolidated Statements of Financial Position

September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash	\$ 403,510	\$ 21,436
Cash-funded reserves	536,277	519,546
Investments	2,006,297	2,598,236
Grants receivable	350,471	326,505
Pledges receivable, net	217,424	64,187
Other receivables	9,315	5,970
Inventories	200,286	56,588
Prepaid expenses and other assets	155,397	150,484
Beneficial interest in third-party trusts	2,334,803	2,955,434
Property and equipment, net	<u>7,555,646</u>	<u>7,895,625</u>
 Total assets	 <u>\$ 13,769,426</u>	 <u>\$ 14,594,011</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 386,643	\$ 265,405
Accrued expenses and other liabilities	381,183	344,929
Long-term debt	2,170,399	2,374,685
Security deposits	<u>18,781</u>	<u>18,721</u>
 Total liabilities	 <u>2,957,006</u>	 <u>3,003,740</u>
Net assets:		
Without donor restrictions	7,526,549	7,683,591
With donor restrictions:		
Purpose and time restricted	2,885,593	3,053,909
Perpetual in nature	<u>384,269</u>	<u>495,816</u>
 Total with donor restrictions	 <u>3,269,862</u>	 <u>3,549,725</u>
 Total net assets before non-controlling interest in partnership	 <u>10,796,411</u>	 <u>11,233,316</u>
Non-controlling interest in partnership	<u>16,009</u>	<u>356,955</u>
 Total net assets	 <u>10,812,420</u>	 <u>11,590,271</u>
 Total liabilities and net assets	 <u>\$ 13,769,426</u>	 <u>\$ 14,594,011</u>

See accompanying notes.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Consolidated Statements of Activities

Years ended September 30, 2022 and 2021

	2022				2021			
	Without Donor Restrictions	With Donor Restrictions	Non-controlling Interest	Total	Without Donor Restrictions	With Donor Restrictions	Non-controlling Interest	Total
Revenues, gains and support:								
Contributions and bequests	\$ 2,304,487	\$ 545,074	\$ -	\$ 2,849,561	\$ 2,498,579	\$ 129,351	\$ -	\$ 2,627,930
Grants	3,280,479	-	-	3,280,479	2,861,706	-	-	2,861,706
Special events, net of cost of direct benefit to donors of \$80,427 and \$27,653 respectively	112,163	-	-	112,163	85,648	-	-	85,648
Program fees	282,280	-	57,059	339,339	283,904	-	72,719	356,623
In-kind contributions	1,938,203	-	-	1,938,203	1,800,115	-	-	1,800,115
Net investment (loss) return	(351,126)	(111,548)	71	(462,603)	383,722	82,753	19	466,494
Change in beneficial interest in third-party trusts	-	(620,631)	-	(620,631)	-	153,167	-	153,167
Gain on forgiveness of KHC loan	-	-	153,147	153,147	-	-	153,759	153,759
Miscellaneous	126,353	-	22	126,375	86,437	-	13	86,450
Net assets released from restrictions	92,758	(92,758)	-	-	67,432	(67,432)	-	-
Total revenues, gains and support	7,785,597	(279,863)	210,299	7,716,033	8,067,543	297,839	226,510	8,591,892
Expenses:								
Program services	6,716,754	-	473,669	7,190,423	5,968,355	-	436,399	6,404,754
Management and general	888,956	-	77,576	966,532	873,819	-	117,456	991,275
Fundraising	336,929	-	-	336,929	376,817	-	-	376,817
Total expenses	7,942,639	-	551,245	8,493,884	7,218,991	-	553,855	7,772,846
(Decrease) increase in net assets	(157,042)	(279,863)	(340,946)	(777,851)	848,552	297,839	(327,345)	819,046
Net assets, beginning of year	7,683,591	3,549,725	356,955	11,590,271	6,835,039	3,251,886	684,300	10,771,225
Net assets, end of year	\$ 7,526,549	\$ 3,269,862	\$ 16,009	\$ 10,812,420	\$ 7,683,591	\$ 3,549,725	\$ 356,955	\$ 11,590,271

See accompanying notes.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Consolidated Statements of Functional Expenses

Years Ended September 30, 2022 and 2021

	2022				2021			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 2,938,871	\$ 575,608	\$ 161,877	\$ 3,676,356	\$ 2,723,704	\$ 523,208	\$ 213,080	\$ 3,459,992
Occupancy	2,052,722	58,883	2,586	2,114,191	1,652,327	42,713	3,128	1,698,168
Payroll taxes and employee benefits	687,130	106,409	31,046	824,585	654,570	101,021	41,802	797,393
Depreciation	378,046	20,411	347	398,804	380,607	21,787	87	402,481
Professional fees	233,814	81,777	10,203	325,794	138,781	152,316	4,409	295,506
Supplies	148,859	39,435	16,991	205,285	134,869	7,237	14,498	156,604
Food	184,732	24	58	184,814	249,754	-	-	249,754
Grantee subrecipient expenses	87,278	-	-	87,278	72,852	-	-	72,852
Special events	10,368	-	70,059	80,427	11,865	-	15,788	27,653
Assistance to individuals	62,256	16,677	-	78,933	61,871	27,121	2,500	91,492
Equipment rental and maintenance	69,348	7,297	2,260	78,905	58,925	4,278	607	63,810
Sales tax	77,148	-	-	77,148	73,031	-	-	73,031
Travel, training and lodging	66,605	-	5,441	72,046	49,650	7,576	1,756	58,982
Printing, copies and publications	3,704	6,528	57,164	67,396	2,830	5,809	55,302	63,941
Interest	53,468	239	-	53,707	12,432	55,375	-	67,807
Vehicle	47,727	3,452	-	51,179	49,255	3,120	-	52,375
Recruitment, advertising and promotion	13,825	-	32,980	46,805	12,877	-	19,213	32,090
Telephone and cable	20,908	20,830	116	41,854	20,522	9,911	443	30,876
Membership dues	29,700	1,582	271	31,553	39,689	511	1,294	41,494
Postage and mail processing	4,247	1,569	15,583	21,399	8,888	1,964	18,159	29,011
Bad debt	7,246	12,684	-	19,930	3,281	6,354	-	9,635
Miscellaneous	22,789	13,127	6	35,922	4,039	20,974	539	25,552
Total expenses by function	7,200,791	966,532	406,988	8,574,311	6,416,619	991,275	392,605	7,800,499
Less expenses included with revenues on the consolidated statement of activities:								
Special events costs	(10,368)	-	(70,059)	(80,427)	(11,865)	-	(15,788)	(27,653)
Total expense included in the consolidated statements of activities	\$ 7,190,423	\$ 966,532	\$ 336,929	\$ 8,493,884	\$ 6,404,754	\$ 991,275	\$ 376,817	\$ 7,772,846

See accompanying notes.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Consolidated Statements of Cash Flows

Years ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (777,851)	\$ 819,046
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Gain on forgiveness of KHC loan	(153,147)	(153,759)
Depreciation	398,804	402,481
Realized and unrealized loss (gain) on investments, net	522,664	(412,987)
Decrease (increase) in beneficial interest in third-party trusts	620,631	(153,167)
Loss on disposals of property and equipment	3,510	-
Increase (decrease) in cash due to changes in:		
Grants receivable	(23,966)	(30,434)
Pledges receivable	(153,237)	(2,314)
Other receivables	(3,345)	2,976
Inventories	(143,698)	500
Prepaid expenses and other assets	(4,913)	(24,763)
Accounts payable	121,238	(95,753)
Accrued expenses and other liabilities	36,254	79,943
Security deposits	<u>60</u>	<u>(2,676)</u>
Net cash provided by operating activities	443,004	429,093
Cash flows from investing activities:		
Purchase of property and equipment	(62,335)	(54,723)
Proceeds from sale of investments, net	<u>69,275</u>	<u>296,513</u>
Net cash provided by investing activities	6,940	241,790
Cash flows from financing activities:		
Payments on line of credit, net	-	(599,500)
Payments on long-term debt	<u>(51,139)</u>	<u>(50,754)</u>
Net cash used in financing activities	<u>(51,139)</u>	<u>(650,254)</u>
Net change in cash and cash-funded reserves	398,805	20,629
Cash and cash-funded reserves, beginning of year	<u>540,982</u>	<u>520,353</u>
Cash and cash-funded reserves, end of year	<u>\$ 939,787</u>	<u>\$ 540,982</u>
Reconciliation to consolidated statements of financial position:		
Cash	\$ 403,510	\$ 21,436
Cash-funded reserves	<u>536,277</u>	<u>519,546</u>
	<u>\$ 939,787</u>	<u>\$ 540,982</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 53,707	\$ 67,807

See accompanying notes.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements

1. Description of the Organization

The accompanying consolidated financial statements include the accounts of

- Society of St. Vincent de Paul, Council of Louisville, Inc. (Council),
- DePaul Stores, Inc. (Stores),
- Tranquil House, Inc. (Tranquil),
- St. Vincent GP, LLC, and
- St. Vincent de Paul Homes, LLLP (Homes);

all collectively referred to as SVDP Louisville. SVDP Louisville is located in Louisville, Kentucky and operates as a nonprofit organization.

Council, incorporated in 1983, has as its mission: "We house, feed, and support those in need with compassion and dignity." Council sponsors, develops and supervises various incorporated entities and unincorporated programs providing services to the community. They include the following:

- de Paul Family Apartments, unincorporated, operates 12 two-bedroom apartments for permanent supportive housing for homeless families.
- Family Success Center, unincorporated, operates an enrichment center serving more than 40 at-risk youth monthly in an after-school setting.
- Food Pantry, unincorporated, provides free produce, meats and staples to more than 350 low income families monthly.
- Open Hand Kitchen, unincorporated, is a community kitchen serving more than 100,000 free meals annually to all who are hungry.
- Ozanam Inn, unincorporated, offers emergency overnight shelter, transitional residency shelter and case management services to more than 80 homeless single men; and houses up to an additional 40 men on nights of severe cold temperature.
- Roberts Hall, unincorporated, is a single room occupancy program that provides long-term shelter and case management services for 24 homeless single women.
- Scattered Site Housing, unincorporated, provides tenant based rental assistance for 70 homeless or disabled persons and their families.
- Simon Hall, unincorporated, was a single room occupancy program that provided long-term shelter and case management services for 10 homeless single men; this program was discontinued after March 31, 2021.
- Thrift Stores, unincorporated, operates 3 retail thrift stores which offer quality donated clothing, furniture and household items to individuals at affordable prices and accepts donations of used vehicles which are sold to the public or wholesale market.
- Permanent Supportive Housing, unincorporated, provides long-term, community-based housing and supportive services to assist homeless persons and families with disabilities in the transition to permanent housing.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

1. Description of the Organization, continued

- Domestic Violence Project, unincorporated, serves people who are fleeing a dangerous situation due to domestic violence or human trafficking by providing transitional housing for up to 50 persons and tenant based rental assistance for 43 families.

Stores, incorporated 1983, is a dormant non-operating entity.

Tranquil, incorporated in 1992, operates a 13-unit apartment facility for mentally ill men and women who are capable of independent living with the support of case management services.

St. Vincent GP, LLC, formed 2008, is a Kentucky single member limited liability company whose sole member is Council. St. Vincent GP, LLC is the general partner of Homes.

Homes, formed 2008, is a Kentucky limited liability limited partnership consisting of a general partner and three limited partners. As of September 30, 2022 and 2021, St. Vincent GP, LLC owned a 0.01% general partnership interest in Homes. All of the accounts of Homes have been included in the consolidated financial statements. The 99.99% ownership by other entities is reported as a non-controlling interest. Homes operates a 54-unit apartment complex for permanent supportive housing of low income families and individuals, as well as for homeless individuals aged 18~24 in transition.

2. Summary of Significant Accounting Policies

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) which require management to make estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. Actual results could differ from those estimates. The following is a summary of the significant accounting policies consistently followed by SVDP Louisville in the preparation of its consolidated financial statements:

Principles of Consolidation

The consolidated financial statements include the accounts of the entities listed in Note 1. All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation

Net assets, expenses, revenues, gains, and support are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of SVDP Louisville and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: include the portion of expendable funds that are not subject to donor imposed stipulations.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Basis of Presentation, continued

Net Assets With Donor Restrictions: include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Generally, the donors of these assets permit SVDP Louisville to use all or part of the income earned on related investments for general or specific purposes.

SVDP Louisville reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a 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 consolidated statements of activities as net assets released from restrictions. SVDP Louisville treats donor-restricted contributions whose restrictions are met in the same reporting period as support without donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less that are not designated for a specific purpose. SVDP Louisville has a concentration of credit risk in that it typically maintains cash deposits in financial institutions in excess of federally insured limits. Management considers it very unlikely that any loss will result from the cash balance in excess of federal insurance limits.

Investments

SVDP Louisville records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Fair value is 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. Net investment return is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Return on investments includes SVDP Louisville's gains and losses on investments bought and sold as well as held during the year. See Note 6 for discussion of fair value measurement.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Grants and Pledges Receivable

SVDP Louisville provides an allowance for doubtful accounts based upon the anticipated collectibility of each specific account. An allowance for doubtful accounts is recorded to the extent it is probable that a portion or all of a particular account will not be collected. In evaluating the collectibility of grants and pledges receivable, SVDP Louisville considers a number of factors, including historical loss rates, the age of the accounts, and changes in collection patterns. Actual collections of grants and pledges receivable in subsequent periods may require changes in the estimated provision. Changes in the estimate are charged or credited to expenses in the period of change. Grants and pledges receivable are written off when deemed uncollectible. SVDP Louisville does not charge interest on past due accounts.

Inventories

Inventories consist primarily of food, office supplies and goods for re-sale in Thrift Stores. They are stated at the lower of cost (first-in, first-out basis) or net realizable value.

Property and Equipment

Land, buildings and equipment are stated at cost, if purchased, or at fair value as of the date of donation, if donated. SVDP Louisville's policy is to capitalize asset purchases exceeding \$1,000 with a useful life greater than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from three to thirty-nine years.

Revenue and Revenue Recognition

SVDP Louisville recognizes revenue at the amount to which it expects to be entitled when control of the products or services is transferred to the customer. Control is generally transferred when SVDP Louisville has transferred to the customer all, or substantially all, of the benefits of ownership of the products or services. SVDP Louisville recognizes revenue from grants and program fees over time when services are performed or reimbursable costs are incurred. Special events revenue is recognized at the time of the event and is recorded net of the cost of direct benefits to contributors.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Donations

Contributions and bequests (donations) are recorded at their fair value at a point in time as of the date of donation. Donated services that require specific expertise and would normally have been purchased and that create or enhance nonfinancial assets, if any, are recorded at fair value. Donations of long-lived assets with explicit restrictions that specify how the assets are to be used and donations of cash or other assets that must be used to acquire long-lived assets are reported as donor restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, SVDP Louisville reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Although SVDP Louisville utilizes the services of many volunteers, the fair value of these services are not recognized in the accompanying consolidated financial statements since they do not meet the criteria for recognition.

In the year ended September 30, 2022, SVDP Louisville adopted Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new standard requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the consolidated statement of activities, apart from contributions of cash or other financial assets. The new standard also increases disclosure requirements around contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the consolidated financial statements, with the exception of increased disclosures (see Note 8).

Functional Allocation of Expenses

The costs of providing the various programs and other activities are summarized on a functional basis in the accompanying 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 various programs and other activities benefited.

Directly identifiable expenses are charged to the applicable program or supporting services. Certain expenses are not directly identifiable with any other specific function, but provide for overall support and direction of SVDP Louisville, and require allocation between functions on a reasonable basis that is consistently applied.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Functional Allocation of Expenses, continued

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Recruitment, advertising and promotion	Time and effort
Occupancy	Square footage
Depreciation	Square footage
Printing, copies and publications	Time and effort
Salaries and wages	Time and effort
Payroll taxes and employee benefits	Time and effort
Professional fees	Time and effort
Equipment rental and maintenance	Square footage
Telephone and cable	Square footage

Income Taxes

Council and Tranquil are exempt from federal, state and local income taxes as not-for-profit corporations as described under Internal Revenue Code Section 501(c)(3). St. Vincent GP, LLC and Stores are disregarded entities for federal, state and local income tax purposes. The activities of St. Vincent GP, LLC and Stores are included in SVDP Louisville's tax filings. Council and Tranquil file informational tax returns as required by federal regulations.

Homes is taxed as a partnership as defined in the Internal Revenue Code and files income tax returns in U.S federal, state and local jurisdictions.

As of September 30, 2022 and 2021, SVDP Louisville did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the years then ended.

Sales Tax

Sales tax imposed on sales of goods at Thrift Stores and subsequently remitted to the state is presented on a gross basis in the consolidated statements of activities. For the years ended September 30, 2022 and 2021, \$78,824 and \$74,884 was included in revenue and \$77,148 and \$73,031 was included in expense, respectively, related to the collection and remittance of sales tax.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*, requiring all leases to be recognized on SVDP Louisville's consolidated statement of financial position as a right-of-use asset and a lease liability, unless the lease is a short term lease (generally a lease with a term of twelve months or less). At the commencement date of the lease, SVDP Louisville will recognize: 1) a lease liability for SVDP Louisville's obligation to make payments under the lease agreement, measured on a discounted basis; and 2) a right-of-use asset that represents SVDP Louisville's right to use, or control the use of, the specified asset for the lease term. The ASU originally required recognition and measurement of leases at the beginning of the earliest period presented using a modified retrospective transition method. In July 2018, the FASB issued ASU 2018-11, which provided an additional (and optional) transition method that permits application of the updated standard at the adoption date with recognition of a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. In June 2020, the FASB issued ASU 2020-05, which deferred the effective date of ASU 2016-02. The updated standard will be effective for SVDP Louisville for the year ending September 30, 2023. SVDP Louisville has not yet selected a transition method and is currently evaluating the effect that the new standard will have on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the consolidated statement of activities as the amounts expected to be collected change. The standard will be effective for the year ending September 30, 2024, with early adoption permitted. SVDP Louisville is currently evaluating the effect that the new standard will have on its consolidated financial statements.

Subsequent Events

Management has evaluated subsequent events for accounting and disclosure requirements through June 20, 2023, the date that the consolidated financial statements were available to be issued.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the consolidated statement of financial position, comprise the following as of September 30, 2022:

Cash	\$ 403,510
Cash-funded reserves	536,277
Investments	2,006,297
Grants receivable	350,471
Pledges receivable, net	217,424
Other receivables	9,315
Beneficial interest in third-party trusts	<u>2,334,803</u>
Total financial assets	5,858,097
Less cash-funded reserves (see Note 4)	536,277
Less net assets with donor restrictions	<u>3,269,862</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,051,958</u>

Donor-restricted beneficial interests in third-party trusts are not available for general expenditure; however, income from donor-restricted beneficial interests in third-party trusts is available for general use (see Note 7).

In addition to the financial assets available to meet general expenditures over the next year, SVDP Louisville operates a balanced budget on a cash-flow basis and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. SVDP Louisville also has a line of credit (see Note 11) available to manage liquidity needs.

4. Funded Reserves

Under the terms of the Regulatory Agreement with the U.S. Department of Housing and Urban Development (HUD) and the Tax Credit Exchange Program Assistance Agreement with the Kentucky Housing Corporation (KHC), Tranquil and Homes are required to set aside specified amounts for replacement of property and other project expenditures as approved by HUD and KHC, operating expenses as determined by KHC, and reimbursement of costs associated with annual asset management responsibilities of KHC. Restricted funds are held in separate bank accounts and generally are not available for operating purposes. Those funds are included in cash-funded reserves on the accompanying consolidated statements of financial position, and consist of the following:

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

4. Funded Reserves, continued

	<u>2022</u>	<u>2021</u>
Tranquil:		
Replacement reserve account	\$ 15,434	\$ 18,823
Residual receipts account	<u>500</u>	<u>361</u>
	15,934	19,184
Homes:		
Operating reserve account	154,264	154,237
Replacement reserve account	255,377	234,831
Asset management account	<u>110,702</u>	<u>111,294</u>
	<u>520,343</u>	<u>500,362</u>
Total funded reserves	<u>\$ 536,277</u>	<u>\$ 519,546</u>

5. Investments

Cost and fair value of investments as at September 30, 2022 and 2021, are summarized below:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
<u>2022</u>			
Cash equivalents	\$ 19,151	\$ 19,151	\$ -
US Government securities	4,500	18,295	13,795
Mutual funds	<u>2,269,373</u>	<u>1,968,851</u>	<u>(300,522)</u>
	<u>\$ 2,293,024</u>	<u>\$ 2,006,297</u>	<u>\$ (286,727)</u>
<u>2021</u>			
Cash equivalents	\$ 84,075	\$ 84,075	\$ -
US Government securities	4,500	17,586	13,086
Mutual funds	<u>2,075,324</u>	<u>2,496,575</u>	<u>421,251</u>
	<u>\$ 2,163,899</u>	<u>\$ 2,598,236</u>	<u>\$ 434,337</u>

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

5. Investments, continued

Net investment (loss) return for the years ended September 30, 2022 and 2021, is as follows:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 60,061	\$ 53,507
Realized gain	215,169	151,920
Unrealized (loss) gain	(720,255)	281,720
Investment fees	<u>(17,578)</u>	<u>(20,653)</u>
Net investment (loss) return	<u>\$ (462,603)</u>	<u>\$ 466,494</u>

6. Fair Value Measurement

SVDP Louisville classifies its investments based on a hierarchy consisting of: Level 1 (valued using quoted prices from active markets for identical assets), Level 2 (not traded on an active market but for which observable market inputs are readily available), and Level 3 (valued based on significant unobservable inputs). The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used as of September 30, 2022 and 2021.

Cash equivalents: Valued at the daily closing price as reported by the fund.

U.S. Government securities: Valued based on yields currently available on comparable securities of issuers with similar credit ratings in active markets.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by SVDP Louisville are open ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by SVDP Louisville are deemed to be actively traded.

Beneficial interest in third-party trusts: Valued at the beneficial interest percentage and information reported by third parties using the value of the underlying assets.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

6. Fair Value Measurement, continued

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

The fair values of certain of SVDP Louisville's investments are based on third-party pricing information without adjustment. As permitted under the accounting guidance for fair value disclosures, SVDP Louisville has not provided quantitative information about the significant unobservable inputs used in the fair value measurements of these securities.

SVDP Louisville has determined the fair value of investments measured on a recurring basis as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>September 30, 2022</u>				
Cash equivalents	\$ 19,151	\$ -	\$ -	\$ 19,151
US Government securities	-	18,295	-	18,295
Mutual funds:				
Fixed income	412,362	-	-	412,362
Equities	1,388,759	-	-	1,388,759
Real estate	167,730	-	-	167,730
Beneficial interest in third-party trusts	<u>-</u>	<u>-</u>	<u>2,334,803</u>	<u>2,334,803</u>
Total investments at fair value	<u>\$ 1,988,002</u>	<u>\$ 18,295</u>	<u>\$ 2,334,803</u>	<u>\$ 4,341,100</u>

<u>September 30, 2021</u>				
Cash equivalents	\$ 84,075	\$ -	\$ -	\$ 84,075
US Government securities	-	17,586	-	17,586
Mutual funds:				
Fixed income	568,559	-	-	568,559
Equities	1,806,438	-	-	1,806,438
Other	121,578	-	-	121,578
Beneficial interest in third-party trusts	<u>-</u>	<u>-</u>	<u>2,955,434</u>	<u>2,955,434</u>
Total investments at fair value	<u>\$ 2,580,650</u>	<u>\$ 17,586</u>	<u>\$ 2,955,434</u>	<u>\$ 5,553,670</u>

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

6. Fair Value Measurement, continued

The following table sets forth a summary of changes in the fair value of SVDP Louisville's level 3 assets for the years ended September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 2,955,434	\$ 2,802,267
Change in value of beneficial interest in third-party trusts	<u>(620,631)</u>	<u>153,167</u>
	<u>\$ 2,334,803</u>	<u>\$ 2,955,434</u>

7. Beneficial Interest in Third-Party Trusts

SVDP Louisville is a beneficiary to three charitable remainder trusts. Upon the occurrence of events stated in the trust agreements, the principal balance of the trusts will be paid to SVDP Louisville in an amount equal to their beneficial interest of 44.44%, 32% and 2.5%, respectively.

The value of the trust with beneficial interest of 44.44% was \$224,882 and \$263,761 as of September 30, 2022 and 2021, respectively.

The trust with beneficial interest of 32% will be paid in 2032. The total estimated net present value of future cash flows (using a 2.52% and 2.41% weighted average interest rate as of September 30, 2022 and 2021, respectively) of this trust as of September 30, 2022 and 2021, was \$2,046,923 and \$2,613,003, respectively.

The value of the trust with a beneficial interest of 2.5% was \$59,607 and \$75,988 at September 30, 2022 and 2021, respectively.

8. In-kind Contributions

The following in-kind contributions were recorded as revenue and presented separately in the consolidated statement of activities for the years ended September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Items for resale in the Thrift Stores	\$ 1,644,137	\$ 1,437,493
Food and household items	<u>192,238</u>	246,716
Donated vehicle sales	<u>101,828</u>	<u>115,906</u>
Total in-kind contributions	<u>\$ 1,938,203</u>	<u>\$ 1,800,115</u>

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

8. In-kind Contributions, continued

SVDP Louisville regularly receives donated used items to be sold in the Thrift Stores. These donated used items are valued based upon estimates of resale values that would be received for selling the goods in their principal market considering their condition and utility for use. When SVDP Louisville sells the donated item, the applicable revenue is recorded, and the inventory is relieved through cost of goods sold. In accordance with accounting standards, SVDP Louisville presents all revenue and expenses on a net basis on the consolidated statements of activities. For the year ended September 30, 2022, approximately \$1,500,000 has been monetized and approximately \$150,000 remains in inventory.

Donated food and household items are used for the direct benefit of families and clients and are valued at the wholesale prices that would be received for selling similar products.

SVDP Louisville receives donated vehicles to be sold to third parties. The donated vehicles are valued at their fair value when received. The fair values of the vehicles are based on the condition of the vehicle and other factors and determined using comparable market data from various sources.

9. Pledges Receivable

Pledges receivable consist of unconditional promises to give from various organizations and individuals to fund operations and programs. As of September 30, 2022 and 2021, pledges receivable are estimated to be collected in one year or less.

Pledges receivable as of September 30, 2022 and 2021, consist of the following:

	<u>2022</u>	<u>2021</u>
Total pledges receivable	\$ 218,674	\$ 65,437
Less: Allowance	<u>(1,250)</u>	<u>(1,250)</u>
Pledges receivable, net	<u>\$ 217,424</u>	<u>\$ 64,187</u>

At September 30, 2022, one donor accounted for approximately 91% of total pledges receivable. At September 30, 2021, five donors accounted for approximately 77% of total pledges receivable.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

10. Property and Equipment

Property and equipment consists of the following as of September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Land	\$ 1,507,097	\$ 1,507,097
Buildings and improvements	12,402,509	12,369,624
Furniture and equipment	1,511,008	1,496,736
Automobiles and trucks	<u>158,871</u>	<u>158,870</u>
	15,579,485	15,532,327
Less accumulated depreciation	<u>(8,023,839)</u>	<u>(7,636,702)</u>
Property and equipment, net	<u>\$ 7,555,646</u>	<u>\$ 7,895,625</u>

Depreciation expense during the years ended September 30, 2022 and 2021, was \$398,804 and \$402,481, respectively.

11. Line of Credit

SVDP Louisville has a \$700,000 bank line of credit bearing interest at the Prime Rate less 0.5% (2.75% at September 30, 2022). This line was renewed during 2022 and now matures on September 23, 2023. A portion of SVDP Louisville's investments is pledged as collateral for this debt. There were no amounts outstanding as of September 30, 2022 and 2021, respectively.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

12. Long-term Debt

Long-term debt consists of the following as of September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Mortgage note with a bank, as of September 30, 2021, it was payable in monthly installments of \$2,276, including interest at 4.49% with remaining due in August 2024. In November 2021, this note was refinanced and is now payable in monthly installments of \$1,859, including interest at 3.25% with remaining balance due in October 2031. The note is secured by all property and equipment of Tranquil.	\$ 251,085	\$ 265,014
Promissory note payable to a bank, payable in monthly installments of \$4,787, including interest at 4.54%. Remaining balance is due in January 2028. Secured by all real and personal property of Homes.	757,488	779,514
Promissory note payable to bank, payable in monthly installments of \$2,036, including interest at 2.25%. Remaining balance is due in January 2028. Secured by all real and personal property of Homes.	397,240	412,425
Promissory note payable to KHC. No payment of principal and interest is due unless a default or recapture event has occurred. Note is non-interest bearing and 6.67% of the original balance is forgiven annually over the life of the loan. Note matures on December 31, 2026. Secured by all real and personal property of Homes.	<u>764,586</u>	<u>917,732</u>
	<u>\$ 2,170,399</u>	<u>\$ 2,374,685</u>

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

12. Long-term Debt, continued

Future maturities of long-term debt are as follows:

Year ending September 30,

2023	\$ 206,002
2024	207,783
2025	207,810
2026	209,779
2027	212,989
Thereafter	<u>1,126,036</u>
	<u>\$ 2,170,399</u>

13. Net Assets With Donor Restrictions

Net assets with donor restrictions as of September 30, 2022 and 2021, are restricted for the following purposes:

	<u>2022</u>	<u>2021</u>
Purpose and time restricted:		
Subject to expenditure for specified purpose:		
Family Success Center	\$ 4,457	\$ 19,656
Rainy Day Fund	246,333	67,045
Good Shepherd Grant	-	11,774
Veteran's Program	300,000	-
Subject to the passage of time:		
Beneficial interest in third-party trusts	<u>2,334,803</u>	<u>2,955,434</u>
Total purpose and time restricted	2,885,593	3,053,909
Perpetual in nature:		
Irrevocable trust	<u>384,269</u>	<u>495,816</u>
Total net assets with donor restrictions	<u>\$ 3,269,862</u>	<u>\$ 3,549,725</u>

Net assets restricted for Family Success Center were released when the expenses were incurred. All other net assets released from restrictions during the years ended September 30, 2022 and 2021, were due to the passage of time and were used to support general operations of SVDP Louisville.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

14. Operating Leases

SVDP Louisville leases office equipment and thrift store space under operating leases on a month-to-month basis and on terms exceeding one year. The leases expire in various terms through February 2027. Total rental expense, including rent paid for clients under program services, for the years ended September 30, 2022 and 2021, totaled \$1,450,667 and \$1,092,038, respectively.

Minimum annual rentals for each of the five succeeding years under operating leases with terms exceeding one year are as follows:

Year ending September 30,	
2023	\$ 324,021
2024	289,086
2025	268,146
2026	269,741
2027	<u>213,516</u>
	<u>\$ 1,364,510</u>

15. Retirement Plan

SVDP Louisville has a defined contribution retirement plan covering substantially all full-time employees. Employer contributions to the plan for the years ended September 30, 2022 and 2021, totaled \$267,671 and \$249,365, respectively.

16. Concentrations of Credit Risk

SVDP Louisville has significant investments in cash equivalents, common stocks, fixed income funds, and mutual funds held by an investment manager and are, therefore, subject to concentrations of credit risk. Investments are made by the investment manager and the investments are monitored by the Finance Committee of the Board of Directors. Though the fair value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of SVDP Louisville.

17. Contingencies

In the normal course of operations, SVDP Louisville receives funding from federal, state and local government agencies. These funds are to be used for designated purposes only. For government agency grants, if the grantor's review indicates that the funds have not been used for the intended purpose, the grantor may request a refund of monies advanced or refuse to reimburse SVDP Louisville for its disbursements. The amount of such future refunds or unreimbursed disbursements, if any, is not expected to be significant. Continuation of SVDP Louisville's grant programs is predicated upon the grantor's satisfaction that the funds provided are being spent as intended and the grantor's intent to continue the program.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

17. Contingencies, continued

In addition, SVDP Louisville operates in a heavily regulated environment. The operations of SVDP Louisville are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules, and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change.

18. Investment in Partnership

As of September 30, 2022 and 2021, St. Vincent GP, LLC owned a 0.01% general partnership interest in Homes. The responsibility for management of the affairs of Homes is vested with the general partner, St. Vincent GP, LLC. Compensation for such services is determined in the management agreement between the partners.

The following table summarizes the non-controlling interest of Homes as of September 30:

	<u>2022</u>	<u>2021</u>
Net assets	\$ 1,692,799	\$ 1,811,553
Less: Cumulative eliminations	<u>(1,676,964)</u>	<u>(1,454,874)</u>
	15,835	356,679
Less general partner deficit - .01% interest	<u>174</u>	<u>276</u>
Non-controlling interest 99.99%	\$ <u>16,009</u>	\$ <u>356,955</u>

19. Louisville Metro Government Loan

SVDP Louisville received a forgivable loan of \$334,103 from the City of Louisville Metro Government through the HOME Investment Partnership program during the year ended September 30, 2013. The total amount of the loan was reported as contributions without donor restrictions. Real estate constructed with the loan proceeds is subject to a lien by the City of Louisville Metro Government for a period of twenty years or until Louisville Metro Government releases its use restrictions. The loan bears no interest and is not required to be repaid as long as the housing remains available to eligible low-income households and is maintained in accordance with the HOME Investment Partnership program. Early termination of this project would require repayment of 100% of the proceeds.

20. Subsequent Events

Subsequent to September 30, 2022, SVDP Louisville was notified that the Organization is going to receive approximately \$1,500,000 of funds under the American Relief Plan Act of 2021 (ARPA) through Louisville Metro. SVDP Louisville will be reimbursed for the cost of certain building renovations incurred through December 31, 2024.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Consolidated Financial Statements, continued

20. Subsequent Events, continued

In December 2022, SVDP Louisville closed its Downtown Louisville thrift store and sold the property for cash of \$650,000. The transaction resulted in a gain of approximately \$586,000.

On March 3, 2023, the roofs on several buildings owned by SVDP Louisville sustained wind damage. Management filed claims with its insurance carriers and a majority of the repairs have been completed. Management believes SVDP Louisville has adequate insurance coverage and access to working capital sufficient to fully remediate the damage.

CONSOLIDATING INFORMATION

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Consolidating Statement of Financial Position

September 30, 2022

Assets	<u>Council</u>	<u>Tranquil</u>	<u>St. Vincent GP, LLC</u>	<u>Homes</u>	<u>Eliminations</u>	<u>Consolidated</u>
Assets:						
Cash	\$ 377,969	\$ 25,541	\$ -	\$ -	\$ -	\$ 403,510
Cash-funded reserves	-	15,934	-	520,343	-	536,277
Investments	2,006,297	-	-	-	-	2,006,297
Investment in partnership	-	-	100	-	(100)	-
Grants receivable	350,371	-	-	100	-	350,471
Pledges receivable, net	217,424	-	-	-	-	217,424
Other receivables	9,315	-	-	-	-	9,315
Related party receivable	1,741,137	-	3,215,616	1,808,682	(6,765,435)	-
Inventories	200,286	-	-	-	-	200,286
Prepaid expenses and other assets	104,274	5,394	-	45,729	-	155,397
Beneficial interest in third-party trusts	2,334,803	-	-	-	-	2,334,803
Property and equipment, net	<u>3,081,755</u>	<u>166,923</u>	<u>-</u>	<u>4,813,516</u>	<u>(506,548)</u>	<u>7,555,646</u>
 Total assets	 <u>\$ 10,423,631</u>	 <u>\$ 213,792</u>	 <u>\$ 3,215,716</u>	 <u>\$ 7,188,370</u>	 <u>\$(7,272,083)</u>	 <u>\$ 13,769,426</u>
 Liabilities and Net Assets						
Liabilities:						
Accounts payable	95,495	291,148	-	-	-	386,643
Related party payable	-	-	3,215,716	3,549,719	(6,765,435)	-
Accrued expenses and other liabilities	358,999	476	-	21,708	-	381,183
Long-term debt	-	251,085	-	1,919,314	-	2,170,399
Security deposits	<u>11,576</u>	<u>2,375</u>	<u>-</u>	<u>4,830</u>	<u>-</u>	<u>18,781</u>
 Total liabilities	 <u>466,070</u>	 <u>545,084</u>	 <u>3,215,716</u>	 <u>5,495,571</u>	 <u>(6,765,435)</u>	 <u>2,957,006</u>
Net Assets:						
Without donor restrictions	6,687,699	(331,292)	-	-	1,170,142	7,526,549
With donor restrictions:						
Purpose restricted	2,885,593	-	-	-	-	2,885,593
Perpetual in nature	<u>384,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>384,269</u>
 Total with donor restrictions	 <u>3,269,862</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>3,269,862</u>
Partners' equity	-	-	-	1,692,799	(1,692,799)	-
 Total net assets before non- controlling interest in partnership	 <u>9,957,561</u>	 <u>(331,292)</u>	 <u>-</u>	 <u>1,692,799</u>	 <u>(522,657)</u>	 <u>10,796,411</u>
Non-controlling interest in partnership	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,009</u>	<u>16,009</u>
 Total net assets	 <u>9,957,561</u>	 <u>(331,292)</u>	 <u>-</u>	 <u>1,692,799</u>	 <u>(506,648)</u>	 <u>10,812,420</u>
 Total liabilities and net assets	 <u>\$ 10,423,631</u>	 <u>\$ 213,792</u>	 <u>\$ 3,215,716</u>	 <u>\$ 7,188,370</u>	 <u>\$(7,272,083)</u>	 <u>\$ 13,769,426</u>

See Report of Independent Auditors.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Consolidating Statement of Activities

Year ended September 30, 2022

	Council			Tranquil	St. Vincent GP, LLC	Homes	Eliminations	Consolidated			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions		Without Donor Restrictions	With Donor Restrictions	Non- controlling Interest	Total
Revenues, gains and support:											
Contributions and bequests	\$ 2,304,487	\$ 545,074	\$ 2,849,561	\$ -	\$ -	\$ -	\$ -	\$ 2,304,487	\$ 545,074	\$ -	\$ 2,849,561
Grants	3,280,479	-	3,280,479	-	-	-	-	3,280,479	-	-	3,280,479
Special events, net	112,163	-	112,163	-	-	-	-	112,163	-	-	112,163
Program fees	214,441	-	214,441	67,839	-	297,397	(240,338)	282,280	-	57,059	339,339
In-kind contributions	1,938,203	-	1,938,203	-	-	-	-	1,938,203	-	-	1,938,203
Net investment return	(351,136)	(111,548)	(462,684)	10	-	71	-	(351,126)	(111,548)	71	(462,603)
Change in beneficial interest in third-party trusts	-	(620,631)	(620,631)	-	-	-	-	-	(620,631)	-	(620,631)
Gain on forgiveness of KHC loan	-	-	-	-	-	153,147	-	-	-	153,147	153,147
Miscellaneous	88,458	-	88,458	37,895	-	22	-	126,353	-	22	126,375
Net assets released from restrictions	92,758	(92,758)	-	-	-	-	-	92,758	(92,758)	-	-
Total revenues, gains and support	7,679,853	(279,863)	7,399,990	105,744	-	450,637	(240,338)	7,785,597	(279,863)	210,299	7,716,033
Expenses:											
Program services	6,766,778	-	6,766,778	112,683	-	551,300	(240,338)	6,716,754	-	473,669	7,190,423
Management and general	966,532	-	966,532	-	-	18,091	(18,091)	888,956	-	77,576	966,532
Fundraising	336,929	-	336,929	-	-	-	-	336,929	-	-	336,929
Total expense	8,070,239	-	8,070,239	112,683	-	569,391	(258,429)	7,942,639	-	551,245	8,493,884
(Decrease) increase in net assets	(390,386)	(279,863)	(670,249)	(6,939)	-	(118,754)	18,091	(157,042)	(279,863)	(340,946)	(777,851)
Net assets, beginning of year	7,078,085	3,549,725	10,627,810	(324,353)	-	1,811,553	(524,739)	7,683,591	3,549,725	356,955	11,590,271
Net assets, end of year	\$ 6,687,699	\$ 3,269,862	\$ 9,957,561	\$ (331,292)	\$ -	\$ 1,692,799	\$ (506,648)	\$ 7,526,549	\$ 3,269,862	\$ 16,009	\$ 10,812,420

See Report of Independent Auditors.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Consolidating Statement of Functional Expenses by Program

Year ended September 30, 2022

	Program Support Services	Ozanam Inn	de Paul Family Apartments	Roberts Hall	Open Hand Kitchen	Food Pantry	Domestic Violence Project	Scattered Site Housing CHI	Scattered Site Housing HWH	Scattered Site Housing CH2	Permanent Supportive Housing	Simon Hall	Tranquil	Thrift Stores	Family Success Center	Other Programs	Homes, LLLP	Total Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 387,224	\$475,133	\$ 34,209	\$ 85,733	\$176,326	\$ -	\$ 329,501	\$ 91,877	\$ 31,656	\$ 37,842	\$ 230,539	\$ -	\$ 32,763	\$ 684,341	\$ 60,127	\$281,600	\$ -	\$ 2,938,871	\$ 575,608	\$ 161,877	\$ 3,676,356
Occupancy	(337,659)	81,996	84,875	69,623	70,219	17,614	476,698	463,543	118,422	148,176	17,478	15,818	30,278	465,534	33,753	3,567	292,787	2,052,722	58,883	2,586	2,114,191
Payroll taxes and employee benefits	94,861	129,074	6,256	19,762	46,059	-	67,159	21,303	5,548	9,309	61,009	-	6,247	166,903	12,963	40,677	-	687,130	106,409	31,046	824,585
Depreciation	1,494	49,282	4,140	4,655	33,286	2,370	36,276	-	-	-	9,903	6,028	21,261	6,060	65,937	644	136,710	378,046	20,411	347	398,804
Professional fees	9,920	17,865	4,994	8,383	9,162	-	20,291	8,039	2,767	3,728	2,683	518	9,016	51,187	13,640	15,930	55,691	233,814	81,777	10,203	325,794
Food	469	663	-	11	176,582	480	(38)	-	-	-	5,737	-	-	-	828	-	-	184,732	24	58	184,814
Supplies	15,196	11,846	571	5,811	18,722	2,117	7,044	171	39	17	(38)	-	116	78,448	1,974	2,540	4,285	148,859	39,435	16,991	205,285
Assistance to individuals	6,597	5,616	6,569	853	-	-	2,787	12,083	8,054	2,051	13,217	-	269	-	3,615	545	-	62,256	16,677	-	78,933
Sales tax	-	-	-	-	-	-	-	-	-	-	-	-	-	77,148	-	-	-	77,148	-	-	77,148
Other expenses	-	-	-	-	-	-	87,278	-	-	-	-	-	-	-	-	-	-	87,278	-	-	87,278
Interest	-	-	-	-	-	-	-	-	-	-	-	-	8,797	-	-	-	44,671	53,468	239	-	53,707
Printing, copies and publications	2,211	211	1	-	-	473	19	2	3	1	2	-	(1)	126	9	628	19	3,704	6,528	57,164	67,396
Equipment rental and maintenance	2,193	6,986	10,655	2,404	9,819	1,897	4,737	-	-	-	1,427	26	3,048	10,859	2,890	2,173	10,234	69,348	7,297	2,260	78,905
Travel, training and lodging	9,346	7,706	138	511	3,101	446	4,406	7,815	1,770	2,662	305	-	172	14,652	613	7,450	5,512	66,605	-	5,441	72,046
Vehicle	(3,250)	2,598	-	-	2,706	302	2,292	60	-	71	-	-	-	40,925	1,776	247	-	47,727	3,452	-	51,179
Membership dues	27,296	-	-	19	19	-	57	-	-	-	-	-	-	-	-	2,309	-	29,700	1,582	271	31,553
Recruitment, advertising and promotion	25	-	-	-	-	-	-	-	-	-	-	-	-	13,800	-	-	-	13,825	-	32,980	46,805
Telephone and cable	1,456	2,675	167	3,428	354	-	804	685	193	176	1	-	102	7,744	1,331	640	1,152	20,908	20,830	116	41,854
Postage and mail processing	264	70	115	150	71	214	332	676	217	200	(1)	-	76	1,591	24	9	239	4,247	1,569	15,583	21,399
Special events	10,368	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,368	-	70,059	80,427
Bad debt	-	-	1,936	4,771	-	-	-	-	-	-	-	-	539	-	-	-	-	7,246	12,684	-	19,930
Miscellaneous	320	18,106	-	69	14	-	50	3	-	-	1,527	-	-	1,871	100	729	-	22,789	13,127	6	35,922
Total expenses by function	228,331	809,827	154,626	206,183	546,440	25,913	1,039,693	606,257	168,669	204,233	343,789	22,390	112,683	1,621,189	199,580	359,688	551,300	7,200,791	966,532	406,988	8,574,311
Less expenses included with revenues on the consolidating statements of activities:																					
Special events costs	(10,368)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,368)	-	(70,059)	(80,427)
Total expenses included in the consolidating statement of activities	\$ 217,963	\$809,827	\$ 154,626	\$206,183	\$546,440	\$ 25,913	\$1,039,693	\$ 606,257	\$ 168,669	\$ 204,233	\$ 343,789	\$ 22,390	\$112,683	\$1,621,189	\$ 199,580	\$ 359,688	\$551,300	\$ 7,190,423	\$ 966,532	\$ 336,929	\$ 8,493,884

CHI - Chronically Homeless Initiative
HWH - Homes With Hope
CH2 - Collaborative Housing for the Chronically Homeless

See Report of Independent Auditors.

SUPPLEMENTARY INFORMATION

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Schedule of Expenditures of Federal Awards

For the year ended September 30, 2022

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
Department of Housing and Urban Development Programs:				
Section 8 Housing Assistance Program	14.195		\$ -	\$ 41,976
Section 8 Moderate Rehabilitation Single Room Occupancy Program for Homeless Individuals	14.249		-	110,269
Continuum of Care Program	14.267		87,278	1,982,278
Pass-through from The Coalition for the Homeless, Inc.:				
Continuum of Care Program	14.267	KY0050L4I011912	-	194,189
Continuum of Care Program	14.267	KY0050L4I012013	-	27,522
Pass-through from The Home of the Innocents, Inc.:				
Youth Demonstration Grant	14.267	KY0222Y4I011700	-	278,725
Federal Emergency Solutions Grants Program	14.231		-	143,941
Community Development Block Grant	14.218		-	124,000
Total Department of Housing and Urban Development Programs			87,278	2,902,900
Department of Veteran Affairs:				
VA Homeless Providers Grant and Per Diem Program	64.024		-	292,890
Total expenditures of federal awards			\$ 87,278	\$ 3,195,790

See Report of Independent Auditors and accompanying notes to the Schedule of Expenditures of Federal Awards.

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Notes to the Schedule of Expenditures of Federal Awards

For the year ended September 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Society of St. Vincent de Paul, Council of Louisville, Inc. and Affiliates (SVDP Louisville) under programs of the federal government for the year ended September 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Regulations, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of SVDP Louisville, it is not intended to and does not present the financial position, changes in net assets, or cash flows of SVDP Louisville.

2. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

SVDP Louisville has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

See Report of Independent Auditors.



**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing
Standards***

Report of Independent Auditors

Board of Directors
Society of St. Vincent de Paul, Council of Louisville, Inc. and Affiliates
Louisville, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Society of St. Vincent de Paul, Council of Louisville, Inc. and Affiliates (SVDP Louisville), which comprise the consolidated statement of financial position as of September 30, 2022, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 20, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered SVDP Louisville's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SVDP Louisville's internal control. Accordingly, we do not express an opinion on the effectiveness of SVDP Louisville's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SVDP Louisville's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dean Dotson Allen Ford, PLLC

Louisville, Kentucky
June 20, 2023

**Report on Compliance for Each Major Federal Program and on Internal Control Over
Compliance Required by the Uniform Guidance**

Report of Independent Auditors

Board of Directors
Society of St. Vincent de Paul, Council of Louisville, Inc. and Affiliates
Louisville, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Society of St. Vincent de Paul, Council of Louisville, Inc. and Affiliates' (SVDP Louisville) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of SVDP Louisville's major federal programs for the year ended September 30, 2022. SVDP Louisville's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, SVDP Louisville complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SVDP Louisville and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of SVDP Louisville's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to SVDP Louisville's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SVDP Louisville's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SVDP Louisville's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 SVDP Louisville's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of SVDP Louisville's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of SVDP Louisville's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Dean Dotson Allen Ford, PLLC

Louisville, Kentucky
June 20, 2023

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Schedule of Findings and Questioned Costs

Year ended September 30, 2022

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Type of auditor's report issued on compliance for major federal programs: **Unmodified**

- Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? Yes No

Identification of Major Federal Programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.267	Continuum of Care Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

SOCIETY OF ST. VINCENT DE PAUL, COUNCIL OF LOUISVILLE, INC. AND AFFILIATES

Schedule of Findings and Questioned Costs, continued

Year ended September 30, 2022

II. FINANCIAL STATEMENT FINDINGS

No matters reported.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

No matters reported.