

**St. Vincent De Paul Place Norwich, Inc.**

**Financial Statements**

**For the Year Ending June 30, 2018**

St. Vincent De Paul Place Norwich, Inc.

June 30, 2018

Table of Contents

Independent Auditor's Report.....	1-2
Statements of Financial Position .....	3
Statement of Activities .....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	6
Notes to Financial Statement.....	7-10



# ALDRICH, MULCAHY & ASSOCIATES, LLC

---

CERTIFIED PUBLIC ACCOUNTANTS INDEPENDENT AUDITOR'S REPORT

Board of Directors  
St. Vincent De Paul Place Norwich, Inc  
120 Cliff Street  
Norwich, Ct. 06360

We have audited the accompanying financial statements of St. Vincent De Paul Place Norwich, Inc which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and supplemental information.

## **Management's Responsibility for the Financial Statements**

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

## **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Vincent De Paul Place Norwich, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*ALDRICH, MULCAHY & ASSOCIATES, LLC*

Waterford, CT

September 6, 2018

St. Vincent De Paul Place, Norwich, Inc.  
Statement of Financial Position  
June 30, 2018

ASSETS

Current Assets	
Cash - Operations	\$ 210,658
Cash - Community Ministries	18,948
Total Cash	229,606
Accounts receivable	11,545
Inventory	36,517
Total Current Assets	277,668
Property & Equipment	
Property and equipment	61,963
Less: Accumulated depreciation	23,293
Property and Equipment - Net	38,670
Total Assets	\$ 316,338

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 7,015
Total Current Liabilities	7,015
Net Assets	
Unrestricted	271,747
Temporarily restricted	37,576
Total Net Assets	309,323
Total Liabilities and Net Assets	\$ 316,338

See accompanying notes and auditor's report

St. Vincent De Paul Place, Norwich, Inc.  
Statement of Activities  
For The Year Ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT, REVENUE & RECLASSIFICATIONS			
Support & Revenues:			
Diocesan subsidy	\$ 128,000	\$ -	\$ 128,000
Grants	35,600	71,477	107,077
Contributions	240,412	-	240,412
Contributions Community Ministries	1,941	11,630	13,571
Donated food received for distribution	700,832	-	700,832
Donated in-kind services	102,000	-	102,000
Other	1,554	-	1,554
Reclassifications:			
Released from restriction	76,139	(76,139)	-
SUPPORT AND REVENUE & RECLASSIFICATIONS	<u>1,286,478</u>	<u>6,968</u>	<u>1,293,446</u>
EXPENSES			
Program expenses:			
Food Program	1,237,154	-	1,237,154
Community Ministry	15,032	-	15,032
TOTAL PROGRAM EXPENSES	<u>1,252,186</u>	<u>-</u>	<u>1,252,186</u>
Supporting services:			
General and administrative expenses	44,215	-	44,215
Total Expenses	<u>1,296,401</u>	<u>-</u>	<u>1,296,401</u>
CHANGE IN NET ASSETS	(9,923)	6,968	(2,955)
NET ASSETS - BEGINNING OF YEAR	281,670	30,608	312,278
NET ASSETS - END OF YEAR	<u>\$ 271,747</u>	<u>\$ 37,576</u>	<u>\$ 309,323</u>

See accompanying notes and auditor's report.

St. Vincent De Paul Place, Norwich Inc.  
Statement of Functional Expenses  
For The Year Ended June 30, 2018

	<u>Food Program</u>	<u>Community Service</u>	<u>General &amp; Administrative</u>	<u>Total Expenses</u>
Food	\$ 770,074	\$ -	\$ -	\$ 770,074
Subcontracted labor and benefits	280,199	2,949	11,798	294,946
Community Ministry	-	12,083	-	12,083
Depreciation	4,959	-	885	5,844
Kitchen supplies	18,306	-	-	18,306
Rent	96,900	-	5,100	102,000
Utilities	31,645	-	1,665	33,310
Insurance	14,135	-	744	14,879
Repairs	9,701	-	511	10,212
Vehicle expenses	4,768	-	-	4,768
Office supplies	-	-	1,352	1,352
Operating expenses	6,467	-	6,466	12,933
Postage	-	-	492	492
Printing & copying	-	-	3,268	3,268
Telephone	-	-	3,388	3,388
Computer expenses	-	-	1,193	1,193
Dues and subscriptions	-	-	375	375
Professional services and fees	-	-	6,978	6,978
	<u>\$ 1,237,154</u>	<u>\$ 15,032</u>	<u>\$ 44,215</u>	<u>\$ 1,296,401</u>

See accompanying notes and auditor's report

St. Vincent De Paul Place, Norwich, Inc.  
Statement of Cash Flows  
For The Year Ended June 30, 2018

Cash flows from operating activities

Change in net assets	\$ (2,955)
Adjustments to reconcile net change in assets to net cash provided by operating activities	
Depreciation	5,844
Decrease in accounts receivable	1,155
Decrease in inventory	427
Decrease in accounts payable	(872)
Net cash provided by operating activities	3,599

Cash flows from investing activities

Purchase of equipment	(1,196)
Net cash used by investing activities	(1,196)

Increase in cash and cash equivalents	2,403
Cash and cash equivalents - beginning of year	227,203
Cash and cash equivalents - end of year	\$ 229,606

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the fiscal year ended:

Interest	-
Income Taxes	-

See accompanying notes and auditor's report



St. Vincent De Paul Place Norwich, Inc.  
Notes to Financial Statements  
June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

St. Vincent De Paul Place, Norwich, Inc was organized without capital stock on December 12, 1989. It serves as a ministry of the Diocese of Norwich. St. Vincent De Paul Place, Norwich, Inc. provides various services to the poor in the Norwich Connecticut area and its surrounding community. Services range from serving hot meals, a food pantry and other community services.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization reports information according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

All donor restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net asset released from restrictions.

Date of Managements Review

Management has evaluated subsequent events through September 6, 2018, the date on which the financial statements were available to be issued.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Contributions and Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed property is recorded at fair value at the date of the donation. If the donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, property and equipment are recorded as unrestricted support.

St. Vincent De Paul Place, Norwich, Inc.  
Notes to Financial Statements (Continued)  
June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Property and Equipment

The Organization never maintained records of property and equipment with all acquisitions being expensed when acquired. Management believes that equipment acquired prior to July 1, 2012 is old and if records had been maintained would have an insignificant net book value after depreciation.

Effective July 1, 2012 the Organization has adopted a policy of capitalizing all property and equipment with a cost exceeding \$200. Depreciation is computed using the straight-line method over estimated useful lives ranging from 5 to 20 years.

Inventory

Inventories consist of food and pantry supplies that are stated at the lower of cost or market. Cost is determined principally by the first-in, first-out method.

Income Taxes

The Organization operates under an exemption from federal income tax under Section 501(c) (3) of the Internal Revenue Code that falls under the Diocese of Norwich organization. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b) (1) (a) (vi).

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the reporting period. Actual results could differ from those estimates.

In-Kind Donations

The Organization receives donations of food and use of facilities that are recognized as contributions in accordance with generally accepted accounting standards. The Organization recognizes donated services only if they create or enhance a nonfinancial asset, or require a specialized skill and would typically be purchased if not provided by donation. Volunteer services are generally not recorded even though a substantial number of volunteers have donated significant amounts of their time to the Organization's programs.

St. Vincent De Paul Place, Norwich, Inc.  
Notes to Financial Statements (Continued)  
June 30, 2018

**NOTE 2: PROPERTY AND EQUIPMENT**

Components of property and equipment are as follows:

Building improvements	\$ 17,716
Furniture and equipment	<u>44,247</u>
	61,963
Less: accumulated depreciation	<u>23,293</u>
	<u>\$ 38,670</u>

The financial statements reflect depreciation expense of \$5,844 for the year ended June 30, 2018.

**NOTE 3: RELATED PARTY TRANSACTIONS**

Diocese of Norwich

The Organization is an incorporated entity that is run under the auspices of the Diocese of Norwich. The Diocese is committed to funding a portion of the payroll for the Organization and related payroll taxes, medical insurance and pension contributions. During the year, the Diocese has provided a subsidy to the Organization that is has applied toward these costs. For the year ended June 30, 2018, the annual subsidy was \$128,000.

Workers of St. Vincent De Paul Place, Norwich, Inc are subcontracted employees of the Diocese of Norwich. For the year ended June 30, 2018, the subcontracted labor & benefits including pension amounted to \$294,946.

Pension Plan

Workers of St. Vincent De Paul Place, Norwich, Inc are covered as employees under the pension plan sponsored by the Diocese of Norwich. The plan covers all full-time lay employees. The amount paid out for full-time lay employees to the pension plan was \$14,585 for the year ended June 30, 2018.

Facilities Use

The building that St. Vincent De Paul Place, Norwich, Inc. occupies is located on the parish campus of St. Joseph's Polish Roman Catholic Congregation. This parish is part of the Diocese of Norwich. The Organization is allowed use of a portion of the building. The Organization pays for its upkeep with no rent payable. The facility use in-kind value was \$102,000. This value was estimated by the organization based on square footage values at the organization's previous location. It does not reflect a property appraisal, the current condition of the building, or the suitability of the facility.

St. Vincent De Paul Place, Norwich, Inc.  
Notes to Financial Statements (Continued)  
June 30, 2018

NOTE 3: IN-KIND REVENUE / EXPENSES

In-kind revenue and expenses are included in these financial statements in the following amounts:

Food donations	\$ 700,832
Facilities use	<u>102,000</u>
	<u>\$ 802,832</u>

Food donations include \$231,148 worth of food received from The Gemma Moran United Way Food Center. Volunteer services, which have not been recognized, but have been valued at \$308,501. See Note 5.

NOTE 4: CONCENTRATIONS

The Organization maintains their cash balances with a single financial institution. At various times during the year the cash balances may exceed the insured limits. At June 30, 2018 there was no cash in excess of insured limits.

The Diocese of Norwich provided 18% of the Organizations revenue with contributions of \$128,000 and the donated use of facilities.

The Gemma Moran United Way Food Center provided 18% of the Organizations revenue through food donations.

The organization relies significantly on donated services and food.

NOTE 5: DONATED SERVICES

The Organization received 30,545 volunteer and community services hours to assist the Organizations in various areas, including the preparation and servicing of meals, food pantry operations, community service assistance, accounting, grant writing and other administrative duties during the year ended June 30, 2017. The value of these donated services, which have not been recognized, have been valued at \$308,501 using minimum wage rates.