

St. Vincent De Paul Place Norwich, Inc.

Financial Statements

For the Year Ended June 30, 2021

St. Vincent De Paul Place Norwich, Inc.

June 30, 2021

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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, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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, 2021, 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 14, 2021

St. Vincent De Paul Place, Norwich, Inc.
Statement of Financial Position
June 30, 2021

ASSETS

Current Assets	
Cash - Operations	\$ 482,510
Cash - Community Ministries	46,248
Total Cash	528,758
Investments	148,518
Receivables	36,541
Prepaid Expenses	2,638
Inventory	77,581
Total Current Assets	794,036
Property & Equipment	
Property and equipment	504,341
Less: Accumulated depreciation	65,322
Property and Equipment - Net	439,019
Other Assets	
Cash - Capital Improvements	404,507
Total Assets	\$ 1,637,562

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 19,293
Other Liabilities	3,555
Total Current Liabilities	22,848
Net Assets	
Without donor restrictions	
Unrestricted	1,133,192
Board Designated	100,000
Total Net Assets Without donor restrictions	1,233,192
With donor restrictions	381,522
Total Net Assets	1,614,714
Total Liabilities and Net Assets	\$ 1,637,562

See accompanying notes and auditor's report

St. Vincent De Paul Place, Norwich, Inc.
Statement of Activities
For The Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT, REVENUE & RECLASSIFICATIONS			
Support & Revenues:			
Diocesan annual subsidy	\$ 128,000	\$ -	\$ 128,000
Diocesan contributions	47,961	-	47,961
Contributions - Food Service	548,770	113,077	661,847
Contributions Community Ministries	-	35,907	35,907
Contributions Capital Projects	-	242,230	242,230
Donated Food received for distribution	1,003,728	-	1,003,728
Donated Nonfood items for distribution	60,726	-	60,726
Donated in-kind services	-	-	-
Donated property & securities	15,329	-	15,329
Interest & Dividends	2,881	22	2,903
Unrealized & Realized investment gains	16,154	-	16,154
Reclassifications:			
Released from restriction	146,350	(146,350)	-
SUPPORT AND REVENUE & RECLASSIFICATIONS	1,969,899	244,886	2,214,785
EXPENSES			
Program expenses:			
Food & Service Programs	1,572,702	-	1,572,702
Community Ministries	17,007	-	17,007
TOTAL PROGRAM EXPENSES	1,589,709	-	1,589,709
Supporting services:			
General and administrative expenses	42,337	-	42,337
Total Expenses	1,632,046	-	1,632,046
CHANGE IN NET ASSETS	337,853	244,886	582,739
NET ASSETS - BEGINNING OF YEAR - Restated	895,339	136,636	1,031,975
NET ASSETS - END OF YEAR	\$ 1,233,192	\$ 381,522	\$ 1,614,714

See accompanying notes and auditor's report.

St. Vincent De Paul Place, Norwich Inc.
Statement of Functional Expenses
For The Year Ended June 30, 2021

	<u>Food & Service Programs</u>	<u>Community Ministries</u>	<u>General & Administrative</u>	<u>Total Expenses</u>
Food donated	\$ 1,003,728	\$ -	\$ -	\$ 1,003,728
Pet Food & Personal Hygiene donated	56,533	-	-	56,533
Food purchased	80,945	-	-	80,945
Subcontracted labor and benefits	289,308	3,045	12,181	304,535
Community Ministry	-	13,715	-	13,715
Depreciation	23,211	247	1,235	24,693
Supplies	38,309	-	-	38,309
Utilities	31,457	-	1,656	33,113
Insurance	16,257	-	856	17,113
Repairs	7,017	-	369	7,386
Vehicle expenses	4,593	-	-	4,593
Office supplies	-	-	2,591	2,591
Operating expenses	17,150	-	-	17,150
Gift Cards	4,193	-	-	4,193
Postage	-	-	2,161	2,161
Printing & copying	-	-	3,416	3,416
Telephone	-	-	3,504	3,504
Computer expenses	-	-	6,714	6,714
Dues and conferences	-	-	1,549	1,549
Professional services and fees	-	-	6,105	6,105
	<u>\$ 1,572,702</u>	<u>\$ 17,007</u>	<u>\$ 42,337</u>	<u>\$ 1,632,046</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, 2021

Cash flows from operating activities

Change in net assets	\$ 582,739
Adjustments to reconcile net change in assets to net cash provided by operating activities	
Depreciation	24,693
Donated property and securities	(15,329)
Realized & Unrealized Gains on investments	(16,154)
Increase in receivables	(18,063)
Increase in prepaid expenses	(2,638)
Increase in inventory	(24,185)
Decrease in accounts payable	(12,002)
Increase other liabilities	3,555
Net cash provided by operating activities	522,616

Cash flows from investing activities

Purchase of investments	(2,573)
Purchase of equipment	(19,783)
Net cash used by investing activities	(22,356)

Increase in cash and cash equivalents	500,260
Cash and cash equivalents including restricted cash - beginning of year	433,005
Cash and cash equivalents including restricted cash - end of year	\$ 933,265

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, 2021

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 and Presentation

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 two classes of net assets: without donor restrictions and with donor restricted net assets.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are neither perpetually nor temporarily restricted by donor-imposed stipulations and include revenue from fees, certain investment income, and all gifts, grants, and contributions that are free of donor restrictions. These amounts are currently available at the discretion of the Organization's Board for use in its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions account for unspent contributions that are restricted by the donor as to use for specific purposes or during specific time periods.

All donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Investment earnings & gains/losses for certain temporarily restricted and unrestricted funds are reported as increases/decreases within these certain funds in accordance with donor & organization understanding.

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. Cash for Capital Improvements is presented as a noncurrent asset since it's not expected to be spent during the next fiscal year. For purposes of cash flows the Other Asset : Capital Improvement Cash of \$404,507 and Cash Current Asset – Total Cash of \$528,758 together represents Cash Equivelants of \$933,265.

St. Vincent De Paul Place, Norwich, Inc.
Notes to Financial Statements (Continued)
June 30, 2021

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

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Non restricted donations are reported as increases in net assets without restrictions. All donor-restricted contributions are reported as increases in net assets with restrictions depending on the nature of the restrictions. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions.

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.

Investment income is recognized when earned. The change in realized and unrealized gains and losses is included in the change in net assets in the statement of activities. Investment income include interest, dividends and capital gain distributions.

Property and Equipment

The Organization never maintained records of property and equipment with all acquisitions being expensed when acquired prior to July 1, 2012. 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 \$500. Donated property is recorded at fair market value. Depreciation is computed using the straight-line method over estimated useful lives ranging from 5 to 39.5 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.

St. Vincent De Paul Place, Norwich, Inc.
Notes to Financial Statements (Continued)
June 30, 2021

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

In-Kind Donations

The Organization receives donations of food 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.

Fair Value of Financial Instruments

The Company adopted FASB ASC 820, *Fair Value Measurements and Disclosures*, for assets and liabilities measured at fair value on a recurring basis. The codification established a common definition for fair value to be applied to existing generally accepted accounting principles that requires the fair value measurements, establishes a framework for measuring fair value, and expands disclosure about such fair value measurements.

FASB ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, FASB ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

- Level 1—Observable inputs such as quoted market prices in active markets for identical assets or liabilities.
- Level 2—Observable market-based inputs or unobservable inputs that are corroborate by market data.
- Level 3—Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.
- The carrying values of cash in bank, receivables, and accounts payable that are short-term in nature approximate fair value.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

St. Vincent De Paul Place, Norwich, Inc.
Notes to Financial Statements (Continued)
June 30, 2021

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

Date of Managements Review

Management has evaluated subsequent events through September 14, 2021, the date on which the financial statements were available to be issued.

NOTE 2: PROPERTY AND EQUIPMENT

Components of property and equipment are as follows:

Building & Improvements	\$ 317,716
Land	50,000
Furniture and equipment	<u>136,625</u>
	504,341
Less: accumulated depreciation	<u>65,322</u>
	<u>\$ 439,019</u>

The financial statements reflect depreciation expense of \$24,693 for the year ended June 30, 2021.

NOTE 3: INVESTMENTS

Investments are accounted at fair values measured on a recurring basis at June 30, 2021 as follows:

	<u>Fair Value</u>	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Money Market Funds	\$ 55,409	\$ 55,409	\$ -	\$ -
Mutual Funds	60,102	60,102	-	-
Common Stock-Equities	33,007	33,007	-	-
Total	<u>\$ 148,518</u>	<u>\$ 148,518</u>	<u>\$ -</u>	<u>\$ -</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

St. Vincent De Paul Place, Norwich, Inc.
Notes to Financial Statements (Continued)
June 30, 2021

NOTE 4: NET ASSETS

Net Assets with donor restrictions consist of the following:

Food program.....	\$ 55,343
Community Ministries programs.....	21,672
Capital projects.....	<u>304,507</u>
Total Net Assets with donor restrictions.....	<u>\$ 381,522</u>

Board designated net assets of \$100,000 represents funds designated for capital projects.

NOTE 5: RELATED PARTY TRANSACTIONS

Diocese of Norwich

The Diocese of Norwich & it's affiliates have historically 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, 2021, the annual subsidy was \$128,000. In addition, the Diocese passed on additional funding of \$47,961 which was mainly attributed to the Payroll Protection Loan forgiveness

Workers at St. Vincent De Paul Place, Norwich, Inc are subcontracted employees of the Diocese of Norwich. For the year ended June 30, 2021, the subcontracted labor & benefits including pension amounted to \$304,535.

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 \$15,511 for the year ended June 30, 2021.

NOTE 6: IN-KIND REVENUE / EXPENSES

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

Food donations	\$ 1,003,728
Nonfood Items	<u>60,726</u>
	<u>\$ 1,064,454</u>

Food donations include \$502,792 worth of food received from The Gemma Moran United Way Food Center and CT Food Bank. Volunteer services, which have not been recognized, but have been valued at \$370,960. See Donated Services.

St. Vincent De Paul Place, Norwich, Inc.
Notes to Financial Statements (Continued)
June 30, 2021

NOTE 7: 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, 2021 there was \$683,264 of cash in excess of insured limits.

The Diocese of Norwich & its affiliates provided 8% of the Organizations revenue.

The Gemma Moran United Way Food Center (\$123,622) and the CT Food Bank (\$379,170) provided 23% of the Organizations revenue through food donations.

The organization relies significantly on donated services and food.

NOTE 8: DONATED SERVICES

The Organization received 31,327 volunteer and community services hours to assist the Organization 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, 2021. The value of these donated services, which have not been recognized, have been valued at \$370,960 using CT minimum wage rates.

NOTE 9: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The liquidity and availability of the Organization's financial Assets consist of Cash, Receivables & Investments to fund general expenditures as of June 30, 2021 total \$1,118,324, \$381,522 of which is held for restricted purposes and \$100,000 held for Board Designated purposes, resulting in \$636,802 in financial assets available to support general expenditures for the upcoming year.

NOTE 10: OTHER MATTERS

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The Organization cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the organization's financial position, results of operations, and cash flows in fiscal 2021.

NOTE 11: RESTATEMENT NET ASSETS

The June 30, 2020 Net Asset balances were restated between the Unrestricted and Restricted balances. Restricted Net Assets were increased by \$74,666 and Unrestricted Net Assets was decreased by \$74,666 to reflect prior year Capital Project activity.