

ARCHDIOCESAN COUNCIL OF SAN ANTONIO –  
THE SOCIETY OF ST. VINCENT DE PAUL

Audited Financial Statements  
September 30, 2017 and 2016

ARCHDIOCESAN COUNCIL OF SAN ANTONIO –  
THE SOCIETY OF ST. VINCENT DE PAUL

Financial Statements  
September 30, 2017 and 2016

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor’s Report .....	1
Statements of Financial Position.....	3
Statements of Activities .....	4
Statement of Functional Expenses (September 30, 2017) .....	5
Statement of Functional Expenses (September 30, 2016) .....	6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8



Certified Public Accountants (a professional corporation)  
2702 N. Loop 1604 E., Ste. 202 San Antonio, TX 78232 (210) 979-0055 Fax (210) 979-0058

Robert F. Darilek  
Certified Public Accountant

Steven H. Butler  
Certified Public Accountant

Darenda Klentzman  
Certified Public Accountant

John Boekweg  
Certified Public Accountant

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Archdiocesan Council of San Antonio – The Society of St. Vincent de Paul  
PO Box 831074  
San Antonio, Texas 78283

We have audited the accompanying financial statements of the Archdiocesan Council of San Antonio – The Society of St. Vincent de Paul (the "Society") (a nonprofit organization), which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



An Independently owned member  
RSM US Alliance



1785 West Printers Row  
Salt Lake City, Utah 84119  
(801) 972-4800

50 West Broadway, Suite 600  
Salt Lake City, UT 84101  
(801) 532-7800

5974 South Fashion Pointe Dr., Suite 120  
South Ogden, UT 84403  
(801) 479-4800

1221 West Mineral Avenue Suite 202  
Littleton, Colorado 80120-4544  
(303) 734-4800

873 North Cleveland Avenue  
Loveland, Colorado 80537  
(303) 577-4800

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 the Society as of September 30, 2017 and 2016, 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.

San Antonio, Texas  
February 2, 2018

*Haynie & Company*

ARCHDIOCESAN COUNCIL OF SAN ANTONIO –  
THE SOCIETY OF ST. VINCENT DE PAUL

Statements of Financial Position  
As of September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS:</b>		
Current Assets		
Cash and Cash Equivalents	\$ 205,179	\$ 35,623
Other Receivables	267	-
Inventory - Donated and Purchased Goods	29,108	19,570
Prepaid Expenses and Deposit	-	7,036
Total Current Assets	<u>234,554</u>	<u>62,229</u>
Property and Equipment, Net of Accumulated Depreciation	<u>324,215</u>	<u>364,277</u>
<b>TOTAL ASSETS</b>	<u>\$ 558,769</u>	<u>\$ 426,506</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Current Liabilities		
Accounts Payable - Trade	\$ 11,088	\$ 27,025
Accrued Liabilities	17,565	20,631
Total Current Liabilities	<u>28,653</u>	<u>47,656</u>
Net Assets		
Unrestricted	500,921	339,725
Temporarily Restricted	<u>29,195</u>	<u>39,125</u>
Total Net Assets	<u>530,116</u>	<u>378,850</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 558,769</u>	<u>\$ 426,506</u>

The Accompanying Notes are an Integral Part of these Financial Statements

ARCHDIOCESAN COUNCIL OF SAN ANTONIO –  
THE SOCIETY OF ST. VINCENT DE PAUL

Statements of Activities  
For the Years Ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>REVENUES:</b>		
Unrestricted Revenues and Gains		
Contributions:		
Combined Federal Campaign	\$ 6,352	\$ 7,561
Contributions, Grants, and Memorials	230,148	198,373
Other Grants	8,000	-
Other Income	3,594	-
In-Kind Donations	995,370	1,050,775
Investment Income, Net of Fees	1,026	35
Revenue from Dues	15,629	16,103
Miscellaneous Income	153	705
Gain (Loss) on Sale of Fixed Assets	-	(21,282)
Total Unrestricted Revenues	<u>1,260,272</u>	<u>1,252,270</u>
Net Assets - Released from Restrictions	916,191	1,569,730
Total Unrestricted Revenues, Gains, and Other Support	<u>2,176,463</u>	<u>2,822,000</u>
<b>EXPENSES:</b>		
Program Services	1,837,879	2,466,740
Supporting Services	177,388	212,763
Total Expenses	<u>2,015,267</u>	<u>2,679,503</u>
Change in Unrestricted Net Assets	<u>161,196</u>	<u>142,497</u>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:</b>		
Bistro Contributions	685,721	1,001,625
Program Contributions	220,540	154,594
Other Donations	-	427,335
Net Assets Released from Restrictions	<u>(916,191)</u>	<u>(1,569,730)</u>
Change in Temporarily Restricted Net Assets	<u>(9,930)</u>	<u>13,824</u>
Change in Net Assets	151,266	156,321
Net Assets, Beginning of Year	<u>378,850</u>	<u>222,529</u>
Net Assets, End of Year	<u>\$ 530,116</u>	<u>\$ 378,850</u>

The Accompanying Notes are an Integral Part of these Financial Statements

ARCHDIOCESAN COUNCIL OF SAN ANTONIO –  
THE SOCIETY OF ST. VINCENT DE PAUL

Statement of Functional Expenses  
For the Year Ended September 30, 2017

	Program Services				Supporting Services			Total Expenses
	Nutrition	Family & Community Assistance	Vincentian Support	Total	Admin.	Fund Raising	Total	
Salaries	\$ 238,644	\$ 49,191	\$ 44,381	\$ 332,216	\$ 33,783	\$ 33,132	\$ 66,915	\$ 399,131
Employee Benefits	33,658	7,692	9,191	50,541	(130)	4,353	4,223	54,764
Payroll Taxes	26,188	4,911	4,861	35,960	4,108	2,834	6,942	42,902
Total Salaries & Benefits	<u>298,490</u>	<u>61,794</u>	<u>58,433</u>	<u>418,717</u>	<u>37,761</u>	<u>40,319</u>	<u>78,080</u>	<u>496,797</u>
Advertising and Brochures	269	-	610	879	1,196	5,028	6,224	7,103
Conferences and Training	-	-	1,400	1,400	150	645	795	2,195
Contract Labor	1,066	-	235	1,301	4	13,667	13,671	14,972
Crisis Assistance	-	144,942	-	144,942	10,600	-	10,600	155,542
Food Services - In Kind	995,370	-	-	995,370	-	-	-	995,370
Food Expenses & Other Items	183,870	-	-	183,870	-	-	-	183,870
Information Technology	302	568	-	870	3,765	-	3,765	4,635
Insurance	-	-	-	-	17,512	-	17,512	17,512
Interest Expense	4	-	-	4	435	-	435	439
Office Expenses	1,935	417	741	3,093	2,781	2,193	4,974	8,067
Payments to Affiliates	-	209	17,543	17,752	298	-	298	18,050
Professional Fees	12,226	578	-	12,804	20,503	7,805	28,308	41,112
Program Expenses	-	-	3,702	3,702	-	2,253	2,253	5,955
Rent Expense	2,761	1,100	-	3,861	5,710	-	5,710	9,571
Supplies and Other Items	5,069	-	-	5,069	1,233	-	1,233	6,302
Travel	13	324	5,380	5,717	1,575	421	1,996	7,713
Total Expense before Depreciation	<u>1,501,375</u>	<u>209,932</u>	<u>88,044</u>	<u>1,799,351</u>	<u>103,523</u>	<u>72,331</u>	<u>175,854</u>	<u>1,975,205</u>
Depreciation	<u>38,528</u>	<u>-</u>	<u>-</u>	<u>38,528</u>	<u>1,534</u>	<u>-</u>	<u>1,534</u>	<u>40,062</u>
Total Expenses	<u>\$ 1,539,903</u>	<u>\$ 209,932</u>	<u>\$ 88,044</u>	<u>\$ 1,837,879</u>	<u>\$ 105,057</u>	<u>\$ 72,331</u>	<u>\$ 177,388</u>	<u>\$ 2,015,267</u>

The Accompanying Notes are an Integral Part of these Financial Statements

ARCHDIOCESAN COUNCIL OF SAN ANTONIO –  
THE SOCIETY OF ST. VINCENT DE PAUL

Statement of Functional Expenses  
For the Year Ended September 30, 2016

	Program Services				Supporting Services			Total Expenses
	Nutrition	Family & Community Assistance	Vincentian Support	Total	Admin.	Fund Raising	Total	
Salaries	\$ 327,649	\$ 39,405	\$ 63,595	\$ 430,649	\$ 18,137	\$ 70,170	\$ 88,307	\$ 518,956
Employee Benefits	23,769	5,131	7,751	36,651	3,036	5,237	8,273	44,924
Payroll Taxes	38,508	3,724	6,135	48,367	1,797	7,308	9,105	57,472
Total Salaries & Benefits	389,926	48,260	77,481	515,667	22,970	82,715	105,685	621,352
Advertising and Brochures	269	-	-	269	204	2,243	2,447	2,716
Conferences and Training	-	-	-	-	2,402	274	2,676	2,676
Construction Expense	427,335	-	-	427,335	-	-	-	427,335
Contract Labor	23,655	4,137	2,609	30,401	460	10,364	10,824	41,225
Crisis Assistance	-	67,216	5,850	73,066	-	-	-	73,066
Food Services - In Kind	1,050,775	-	-	1,050,775	-	-	-	1,050,775
Food Expenses & Other Items	238,305	92	-	238,397	-	-	-	238,397
Information Technology	-	-	-	-	6,636	2,674	9,310	9,310
Insurance	11,989	-	-	11,989	14,859	-	14,859	26,848
Interest Expense	6,781	-	-	6,781	-	-	-	6,781
Office Expenses	1,194	172	770	2,136	5,336	1,535	6,871	9,007
Payments to Affiliates	-	-	16,800	16,800	-	-	-	16,800
Professional Fees	3,537	-	38	3,575	29,478	9,270	38,748	42,323
Program Expenses	8,947	38,900	1,257	49,104	-	-	-	49,104
Rent Expense	6,055	1,200	-	7,255	5,820	-	5,820	13,075
Supplies and Other Items	2,308	-	856	3,164	802	77	879	4,043
Travel	82	764	190	1,036	7,300	-	7,300	8,336
Total Expense before Depreciation	2,171,158	160,741	105,851	2,437,750	96,267	109,152	205,419	2,643,169
Depreciation	28,990	-	-	28,990	7,344	-	7,344	36,334
Total Expenses	\$ 2,200,148	\$ 160,741	\$ 105,851	\$ 2,466,740	\$ 103,611	\$ 109,152	\$ 212,763	\$ 2,679,503

The Accompanying Notes are an Integral Part of these Financial Statements



ARCHDIOCESAN COUNCIL OF SAN ANTONIO –  
THE SOCIETY OF ST. VINCENT DE PAUL

Statements of Cash Flows  
For the Years Ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Cash Flows From Operating Activities:</b>		
Change in Net Assets	\$ 151,266	\$ 156,321
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	40,062	36,334
Loss on Sale of Fixed Assets	-	21,282
(Increase) Decrease in:		
Grant & Other Receivables	(267)	-
Inventory	(9,538)	(5,168)
Prepays and Other Assets	7,036	18,821
Increase (Decrease) in:		
Accounts Payable	(15,937)	(491)
Accrued Liabilities	(3,066)	8,841
Net Cash (Used) by Operating Activities	<u>169,556</u>	<u>235,940</u>
 Cash Flows From Investing Activities:		
Proceeds from Sale of Asset	-	7,537
Purchase of Fixed Assets	-	(387,434)
Net Cash (Used) by Investing Activities	<u>-</u>	<u>(379,897)</u>
 Net Increase (Decrease) in Cash	169,556	(143,957)
 Cash and Cash Equivalents at Beginning of Year	35,623	179,580
 Cash and Cash Equivalents at End of Year	<u>\$ 205,179</u>	<u>\$ 35,623</u>
 <u>Supplemental Information:</u>		
Interest Paid	<u>\$ 439</u>	<u>\$ 6,781</u>

The Accompanying Notes are an Integral Part of these Financial Statements

ARCHDIOCESAN COUNCIL OF SAN ANTONIO –  
THE SOCIETY OF ST. VINCENT DE PAUL

Notes to Financial Statements  
September 30, 2017 and 2016

Note A – Nature of Organization

Archdiocesan Council of San Antonio – The Society of St. Vincent De Paul (the Society) was incorporated September 14, 1951. The Society is an organization of Catholic laypersons who seek in a spirit of justice and charity, by a person-to-person involvement of its members, to help those who are most in need.

These financial statements do not include the activities of the archdiocese’s various councils, the parish conferences, or other archdiocesan activities.

Note B – Summary of Significant Accounting Policies

**Basis of Accounting and Presentation**

The financial statements of the Society have been prepared on the accrual basis of accounting and are presented in accordance with accounting principles generally accepted in the United States of America.

The Organization has adopted FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities Presentation of Financial Statements*. ASC 958 establishes external financial reporting for not-for-profit organizations regarding its financial position and activities according to two classes of net assets: unrestricted net assets and temporarily restricted net assets as applicable. Net assets of the Organization and changes therein are classified and reported according to class of net assets as follows:

*Unrestricted Net Assets* – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by actions of the Society.

*Temporarily Restricted Net Assets* – Net assets whose use by the Council is subject to donor-imposed stipulations that can be fulfilled by actions of the Council pursuant to those stipulations or that expire by the passage of time.

**Cash and Cash Equivalents**

For financial statement purposes, the Council considers all cash and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

ARCHDIOCESAN COUNCIL OF SAN ANTONIO –  
THE SOCIETY OF ST. VINCENT DE PAUL

Notes to Financial Statements  
September 30, 2017 and 2016

Note B – Summary of Significant Accounting Policies (Continued)

**Donated and Purchased Goods Inventory**

Inventory includes food purchased with Society funds and food donated to the Society by local corporations, individuals, and other nonprofit agencies. These items are reflected in these financial statements at their estimated fair market value. The donated food is used in the dining facility and in the direct client assistance programs.

**Property and Equipment**

Property and equipment is stated at cost less accumulated depreciation based on the following useful lives of the assets:

Leasehold Improvements	15 - 23 years
Furniture & Fixtures	4 - 7 Years
Vehicles	5 Years

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Depreciation is computed using the straight line method over the estimated useful lives of the assets. When the asset is sold, retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in current operations. Repairs and maintenance are charged to expense as incurred and expenditures for renewals and betterments are capitalized.

**Contributions**

Contributions received are recorded as unrestricted or temporarily restricted net assets depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily 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 assets released from restrictions.

Unconditional promises to give are recorded as receivables and as support when received. Conditional contributions are not recorded until all conditions have been satisfied, at which time they are recognized as support.

ARCHDIOCESAN COUNCIL OF SAN ANTONIO –  
THE SOCIETY OF ST. VINCENT DE PAUL

Notes to Financial Statements  
September 30, 2017 and 2016

Note B – Summary of Significant Accounting Policies (Continued)

**Contributions (Continued)**

Bequests are recorded when the probate court declares the will valid and the amount is determinable.

No amounts have been reflected in the financial statements for donated services. The Society generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Council with specific assistance programs and campaign solicitations.

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

The Society accounts for grants as exchange of transactions and recognize grant revenue upon fulfillment of requirements detailed in the grant documents.

**Advertising Costs**

Advertising costs are expensed as incurred.

**Functional Expenses**

The Council allocates its expenses on a functional basis among its various program services and supporting activities. Expenses that can be identified with a specific program and supporting activity are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

**Compensated Absences**

Employees of the Society are entitled to paid time off depending on length of service and other factors. The Council cannot reasonably estimate the amount of compensation for future absences; accordingly, no liability has been recorded in the accompanying financial statements. The Society's policy is to recognize the cost of compensated absences when paid to employees.

ARCHDIOCESAN COUNCIL OF SAN ANTONIO –  
THE SOCIETY OF ST. VINCENT DE PAUL

Notes to Financial Statements  
September 30, 2017 and 2016

Note B – Summary of Significant Accounting Policies (Continued)

**Federal Income Taxes**

The Society is a public charity and is exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Society believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Society is not a private foundation.

The Society's *Return of Organization Exempt from Income Tax* (Form 990) and *Exempt Organization Business Income Tax* (Form 990-T) are subject to examination by the Internal Revenue Service, generally three to four years after the returns are filed.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**Reclassifications**

Certain 2016 amounts have been reclassified to conform with 2017 presentations. These reclassifications had no impact on change in net assets.

Note C – Concentration of Credit Risk

The Society's cash is deposited with one financial institution. Cash accounts at banks are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 per bank. There were no amounts in excess of insured limits as of September 30, 2017 and 2016.

Note D – Commodities

The Council purchases food from the San Antonio Food Bank at their stated rate per pound which is recorded as food/supplies purchases. The food product contributions are recorded as in-kind donations on the statement of activity and food services in the statement of functional expenses.

ARCHDIOCESAN COUNCIL OF SAN ANTONIO –  
THE SOCIETY OF ST. VINCENT DE PAUL

Notes to Financial Statements  
September 30, 2017 and 2016

Note E – Leases

*Facility Lease*

The Council rents its administrative offices and bistro facilities from Haven for Hope. The lease is a five year term with option to renew. The Society recently renewed the lease agreement during September 2017 for years 2018 through 2022. Rent paid was \$9,571 and \$13,075 for the years ended September 30, 2017 and 2016, respectively.

Future minimum lease payments for leases with remaining terms in excess of one year are as follows:

Year Ending December 31,		
2018	\$	9,732
2019		9,732
2020		9,732
2021		9,732
2022		9,732
Total	\$	<u>48,660</u>

Note F – Property and Equipment

Property and equipment is as follows:

As of September 30, 2017:

	Beginning Balance	Additions	Deletions	Ending Balance
Leasehold Improvements	\$ 234,689	\$ -	\$ -	\$ 234,689
Office Equipment	6,722	-	-	6,722
Dining Room	130,189	-	-	130,189
Vehicles	92,835	-	-	92,835
Total Property and Equipment	<u>464,435</u>	-	-	464,435
Less Accumulated Depreciation	(100,158)	(40,062)	-	(140,220)
Property and Equipment, Net of Depreciation	<u>\$ 364,277</u>	<u>\$ (40,062)</u>	<u>\$ -</u>	<u>\$ 324,215</u>

ARCHDIOCESAN COUNCIL OF SAN ANTONIO –  
THE SOCIETY OF ST. VINCENT DE PAUL

Notes to Financial Statements  
September 30, 2017 and 2016

Note F – Property and Equipment (Continued)

As of September 30, 2016:

	Beginning Balance	Additions	Deletions	Ending Balance
Leasehold Improvements	\$ -	\$ 234,689	\$ -	\$ 234,689
Office Equipment	21,748	-	(15,026)	6,722
Dining Room	47,451	128,589	(45,851)	130,189
Vehicles	182,666	24,156	(113,987)	92,835
Total Property and Equipment	251,865	387,434	(174,864)	464,435
Less Accumulated Depreciation	(209,868)	(36,334)	146,044	(100,158)
Property and Equipment, Net of Depreciation	\$ 41,997	\$ 351,100	\$ (28,820)	\$ 364,277

Depreciation expense totaled \$40,062 and \$36,334 for the year ended September 30, 2017 and 2016, respectively.

Note G – Debt

On November 14, 2016, the Society obtained a line of credit from a bank for borrowings up to \$50,000. The line of credit carries an interest rate of 3.50% payable monthly. The line of credit is guaranteed by two of the Society’s board members and matures November 14, 2017. The balance on the line of credit was zero as of September 30, 2017.

On November 23, 2015, the Society obtained a line of credit from a bank for borrowings up to \$725,000. The line of credit carries a variable interest rate of 4.75% payable monthly. The line of credit is collateralized by a substantial portion of the Society’s assets and matured on March 23, 2016. The balance on the line of credit was zero as of September 30, 2016.

Note H – Subsequent Events

The Council has evaluated subsequent events through February 2, 2018, the date which the financial statements were available to be issued. No such events have occurred subsequent to the balance sheet date and through the date of the Council’s evaluation that would require adjustment to, or disclosure in, the financial statements.