CENTRAL COUNCIL OF THE
SOCIETY OF ST. VINCENT DE PAUL
IN THE DIOCESE OF ROCKVILLE CENTRE, INC.

Financial Statements
September 30, 2017

CENTRAL COUNCIL OF THE
SOCIETY OF ST. VINCENT DE PAUL
IN THE DIOCESE OF ROCKVILLE CENTRE, INC.

Index of Financial Statements
September 30, 2017

DeMarco & Nesi LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Central Council of the
Society of St. Vincent de Paul
In the Diocese of Rockville Centre, Inc.

We have audited the accompanying financial statements of the Central Council of the Society of St. Vincent de Paul in the Diocese of Rockville Centre, Inc., (a nonprofit organization), which comprise the statement of financial position as of September 30, 2017, 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 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.

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 Central Council of the Society of St. Vincent de Paul in the Diocese of Rockville Centre, Inc., as of September 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Central Council of the Society of St. Vincent de Paul in the Diocese of Rockville Centre, Inc., 2016 financial statements, and our report dated December 6, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

DeMarco & Nesi CPA's LLC

Garden City, New York
December 11, 2017

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL IN THE DIOCESE OF ROCKVILLE CENTRE, INC.

Statement of Financial Position

September 30, 2017
(with comparative financial information as of September 30, 2016)

Assets

	2017	2016
Cash	$ 634,596	$ 818,714
Investments	1,776,453	1,536,142
Accounts receivable	150,568	98,538
Grant receivable	16,068	82,272
Inventory	398,543	391,865
Prepaid expenses	95,898	97,313
Land, buildings and equipment, net	3,283,162	3,223,084
Total Assets	$ 6,355,288	$ 6,247,928

Liabilities and Net Assets

	2017	2016
Liabilities		
Accounts payable	$ 90,626	$ 87,501
Accrued expenses	96,773	81,209
Accrued compensated absences	177,491	165,566
Mortgage payable	1,433,659	1,616,768
Total liabilities	1,798,549	1,951,044
Commitments and contingencies		
Net assets		
Unrestricted	4,503,648	4,273,169
Temporarily restricted	53,091	23,715
Total net assets	4,556,739	4,296,884
Total liabilities and net assets	$ 6,355,288	$ 6,247,928

See accompanying notes to financial statements.

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
IN THE DIOCESE OF ROCKVILLE CENTRE, INC.

Statement of Activities
Year ended September 30, 2017

(with summarized financial information for the year ended September 30, 2016)

	Unrestricted	Temporarily Restricted	2017 Totals	2016 Totals
Revenue and other support				
Stores income	$ 5,733,048	$ -	$ 5,733,048	$ 5,659,263
Government and foundation grants	158,539	111,340	269,879	236,778
Public support-contributions	341,849	50,000	391,849	328,559
Bequests	306,388	-	306,388	61,330
Vincentian development income	66,236	-	66,236	55,784
Net investment income	136,141	-	136,141	112,799
Special event, net	44,851	-	44,851	32,153
Net assets released from restrictions	131,964	(131,964)	-	-
Gain on disposal of fixed assets	6,025	-	6,025	12,052
Total revenue and other support	6,925,041	29,376	6,954,417	6,498,718
Expenses				
Program services				
Stores expenses	4,525,166	-	4,525,166	4,444,409
Vincentian development & Community Programs	611,263	-	611,263	513,607
Anthony House	148,000	-	148,000	148,744
Dismas House	223,131	-	223,131	229,462
Total program services	5,507,560	-	5,507,560	5,336,222
Supporting services				
Management and general	976,211	-	976,211	883,489
Fund raising	210,791	-	210,791	220,317
Total supporting services	1,187,002	-	1,187,002	1,103,806
Total expenses	6,694,562	-	6,694,562	6,440,028
Change in net assets	230,479	29,376	259,855	58,690
Net assets, beginning of year	4,273,169	23,715	4,296,884	4,238,194
Net assets, end of year	$ 4,503,648	$ 53,091	$ 4,556,739	$ 4,296,884

See accompanying notes to financial statements.

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
IN THE DIOCESE OF ROCKVILLE CENTRE, INC.

Statement of Functional Expenses

Year ended September 30, 2017
(with summarized financial information for the year ended September 30, 2016)

	Program Services					Supporting Services				
	Direct Costs Stores	Vincentian Development & Community Programs	Anthony House	Dismas House	Total Program Services	Management & General	Fund Raising	Total Supporting Services	2017 Totals	2016 Totals
Salaries	$ 2,021,430	$ 182,602	$ 85,173	$ 139,487	$ 2,428,692	$ 562,138	$ 120,882	$ 683,020	$ 3,111,712	$ 3,006,465
Payroll taxes and employee benefits	573,887	56,089	25,880	37,612	693,468	133,050	29,726	162,776	856,244	828,811
Rent	40,800	-	-	-	40,800	-	-	-	40,800	39,150
Utilities	90,207	-	4,606	9,245	104,058	16,938	-	16,938	120,996	100,744
Repairs and maintenance	93,948	-	4,376	9,728	108,052	10,214	-	10,214	118,266	120,796
Purchases	273,705	-	-	-	273,705	-	-	-	273,705	284,978
Supplies	84,168	3,123	4,849	9,014	101,154	19,879	414	20,293	121,447	102,989
Truck expenses and hauling fees	372,804	-	-	-	372,804	-	-	-	372,804	360,202
Licenses and permits	5,567	165	484	212	6,428	3,356	1,280	4,636	11,064	13,065
Computer, telephone and office expenses	76,966	1,816	11,365	6,367	96,514	90,612	44,279	134,891	231,405	204,548
Auto	2,717	2,614	791	1,329	7,451	2,948	-	2,948	10,399	12,336
Insurance	84,907	2,930	7,123	7,611	102,571	33,810	-	33,810	136,381	137,752
Professional fees	-	-	-	-	-	37,870	-	37,870	37,870	36,533
Advertising and public relations	36,440	-	-	-	36,440	89	12,539	12,628	49,068	71,037
Equipment rentals	11,632	-	-	-	11,632	12,630	-	12,630	24,262	24,998
Interest	70,543	-	-	-	70,543	-	-	-	70,543	78,316
Credit card charges and bank fees	28,949	-	-	-	28,949	3,365	-	3,365	32,314	29,946
Depreciation	147,419	-	3,204	2,203	152,826	29,698	-	29,698	182,524	202,452
Meetings and conventions	10,475	33,085	149	323	44,032	19,614	1,671	21,285	65,317	44,856
Conference support	-	154,872	-	-	154,872	-	-	-	154,872	201,497
Family assistance	498,602	158,489	-	-	657,091	-	-	-	657,091	506,450
Training and development expenses	-	15,478	-	-	15,478	-	-	-	15,478	13,694
Bad debt expense	-	-	-	-	-	-	-	-	-	18,413
	$ 4,525,166	$ 611,263	$ 148,000	$ 223,131	$ 5,507,560	$ 976,211	$ 210,791	$ 1,187,002	$ 6,694,562	$ 6,440,028

See accompanying notes to financial statements.

CENTRAL COUNCIL OF THE SOCIETY OF ST. VINCENT DE PAUL
IN THE DIOCESE OF ROCKVILLE CENTRE, INC.

Statement of Cash Flows

Year ended September 30, 2017
(with comparative financial information for the
year ended September 30, 2016)

	2017	2016
Cash flows from operating activities		
Change in net assets	$ 259,855	$ 58,690
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	182,524	202,452
Net realized and unrealized (gains)/losses on investments	(110,636)	(78,961)
Gain on disposal of fixed assets	(6,025)	(12,052)
Changes in assets and liabilities		
Accounts receivable	(52,030)	80,621
Grant receivable	66,204	(68,595)
Prepaid expenses	1,415	4,893
Inventory	(6,678)	(38,250)
Other assets		1,200
Accounts payable	3,125	31,049
Accrued expenses	15,564	17,907
Accrued compensated absences	11,925	4,847
	105,388	145,111
Net cash provided by operating activities	365,243	203,801
Cash flows from investing activities		
Purchases of investments	(129,675)	(116,709)
Proceeds from sale of fixed assets	9,000	7,000
Payments to acquire fixed assets	(245,577)	(42,272)
Net cash used in investing activities	(366,252)	(151,981)
Cash flows from financing activities		
Repayment of mortgage payable	(183,109)	(175,326)
Net cash used in financing activities	(183,109)	(175,326)
Net decrease in cash	(184,118)	(123,506)
Cash, beginning of year	818,714	942,220
Cash, end of year	$ 634,596	$ 818,714

See accompanying notes to financial statements.

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The purpose of the Central Council of the Society of St. Vincent de Paul in the Diocese of Rockville Centre, Inc., (the Organization) is to service the poor and needy in any way possible. No act of charity is foreign to the Organization. Most services are provided on an emergency basis and include cash grants for shelter and for other necessities. The Organization is supported primarily through its thrift stores income, government and foundation grants and public contributions.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 and subsections.

This Topic establishes standards for general-purpose external financial statements of not-for-profit organizations, including a statement of financial position, statement of activities and statement of cash flows. This Topic further requires classification of net assets and its revenues, expenses, gains and losses into three categories, based on the existence or absence of externally imposed restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization does not have any permanently restricted net assets. The categories are defined as follows:

> Unrestricted - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use is limited by law or donor-imposed stipulations that will either expire with the passage of time or be fulfilled or removed by actions of the Organization.

Use of Estimates

The preparation of financial statements in conformity with accounting principals generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Inventory

Inventory, which is principally composed of donated clothing and furniture, is carried in the accounts at the market value of thrift shop merchandise.

Land, Buildings and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of $2,500.

Land, buildings and equipment are recorded at cost when purchased. Donated assets are recorded at fair value at the time of donation.

Provision for depreciation has been computed on the straight line method at rates based upon the estimated useful lives of the various classes of assets. The principal estimated useful lives by class of assets, with the exception of leasehold improvements are as follows:

Buildings	25 - 40 years
Equipment	3 - 10 years
Building improvements	10 years

Expenditures for maintenance and repairs are charged to operating expenses as incurred, and the cost of renewals and betterments are capitalized.

The cost and accumulated depreciation and amortization with respect to assets sold or otherwise disposed of are eliminated from the asset and related accumulated depreciation accounts, and any resulting profit or loss is reflected in current operations.

Revenue Recognition

The Organization reports revenues and 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statements.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and a similar provision under New York State income tax laws. 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)(I)(A)(ii). The Organization is subject to income taxes only on net unrelated business income. The Organization did not have any unrelated business income for the year ended September 30, 2017.

The Organization has adopted the provisions of FASB ASC 740-10-25, which requires that a tax position be recognized or derecognized based on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include any uncertain tax positions. The Organization is no longer subject to examination by the Internal Revenue Service for years prior to September 30, 2013.

Expense Allocation

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

Cash Flows

Cash paid for interest was $70,543 for the year ended September 30, 2017.

Comparative Data

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2016, from which the summarized information was derived.

Certain prior year amounts have been reclassified to conform to the current year's financial statement presentation. Net assets and changes in net assets are unchanged due to these reclassifications.

Note 2 - Land, Building and Equipment

Fixed assets of the Organization at cost, and accumulated depreciation, are summarized as follows:

Land	$1,337,117
Buildings and improvements	5,096,830
Equipment	603,656
Construction in progress	170,388
	7,207,991
Less, accumulated depreciation	3,924,829
Land, building and equipment, net	$3,283,162

Depreciation expense for the year ending September 30, 2017, was $182,524.

Note 3 - Mortgage Payable

The Organization has a mortgage payable with an outstanding balance of $1,433,659 at September 30, 2017. The note is payable in monthly installments of $14,888 including interest of 4.5%. In addition, the Organization may make an optional payment of $75,000 annually without any penalty. The note matures on August 23, 2023, and any outstanding balance is due with a balloon payment. The note is collateralized by a mortgage and security agreement on property located in Huntington, New York. Loan acquisition costs of $157,685 were incurred in obtaining the mortgage. These costs are being amortized over the ten year term of the note.

The maturity of the mortgage note over the next five years and in the aggregate is as follows:

Year Ending September	
2018	$ 116,521
2019	121,874
2020	127,473
2021	133,329
2022	139,454
Thereafter	795,008
Total	$1,433,659

Note 4 - Pension Plan

The Organization has a non-contributory defined contribution pension plan which covers substantially all employees. Employees become eligible to participate and are fully vested after two years of employment. Contributions to the plan are based upon the base salary paid to each employee. The Organization funds the plan on a current basis. Pension expense for the year ended September 30, 2017, was $160,798.

The Organization also sponsors a tax deferred annuity plan. The plan is funded solely through employee contributions. All contributions are funded on a current basis.

Note 5 - Special Event

The Organization's annual golf outing raised $88,965 for the year ending September 30, 2017. Expenses for the golf outing amounted to $44,114.

Note 6 - Commitments and Contingencies

The Organization leases trucks, real property and office equipment under operating leases expiring in various years through August, 2021. The Organization is responsible for excessive wear and tear to the vehicles at the end of the lease.

Minimum future lease payments for each of the next four years are:

Fiscal Year Ended	Amount
9/30/18	$232,506
9/30/19	174,823
9/30/20	127,696
9/30/21	80,225
Total minimum future rental payments	$615,250

Total leasing and rent expense for the year ending September 30, 2017, was $312,231.

Note 7 - Concentration of Credit Risk

At September 30, 2017, the Organization had cash deposits of $128,087 in excess of federally insured limits.

Note 8 - Subsequent Events

Date of Management Evaluation

Management has evaluated subsequent events through December 11, 2017, the date on which the financial statements were available to be issued. The Organization is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements.

Note 9 - Net Assets Released From Restrictions

The following temporarily restricted net assets were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors:

Community programs	$ 55,435
Emergency food and shelter program	76,529
	$131,964

Note 10 - Separate Cash Accounts

All funds awarded to the Organization under the Emergency Food and Shelter Program are held in separate cash accounts.

Note 11 - Compensated Absences

Employees earn varying amounts of vacation and sick leave in accordance with the Organization's personnel policy. Upon termination, employees are paid for accrued vacation and sick pay under certain guidelines. The Organization accrues costs incurred for vacation and sick leave as obligations of unrestricted net assets. At September 30, 2017, the Organization had an accrual for compensated absences of $177,491.

Note 12 - Investments

Investments at fair market value consisted of the following at September 30, 2017:

Mutual funds	$ 951,564
Fixed income securities	824,889
	$1,776,453

Net investment income for the year ended September 30, 2017, consisted of the following:

Interest income	$ 42,711
Net unrealized gains	110,636
Management fees	(17,206)
	$136,141

Note 13 - Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market

data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability'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 need to maximize the use of the observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2017.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Organization at year end.

Fixed income securities: Valued at the closing price reported in the active market in which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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 following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2017:

	Level 1	Level 2	Level 3	Total
Mutual funds	$951,564	$ -	$ -	$ 951,564
Fixed income	-	824,889	-	824,889
Total investments at fair value	$951,564	$824,889	$ -	$1,776,453

Note 14 - Net Assets

Unrestricted net assets are available for the following purposes:

Undesignated	$4,503,648

Temporarily restricted net assets are available for the following purposes:

Community programs	$18,183
Emergency food and shelter assistance	34,908
	$53,091