



**NATIONAL COUNCIL OF THE UNITED
STATES SOCIETY OF ST. VINCENT
DE PAUL, INC. AND SUBSIDIARY**

CONSOLIDATED FINANCIAL REPORT
(Audited)

Year Ended September 30, 2016

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
FINANCIAL REPORT

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Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITOR'S REPORT

January 9, 2017

The National Council Board of Directors
**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of the **NATIONAL COUNCIL OF THE UNITED STATES SOCIETY OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY** (collectively, the Society), which comprise the consolidated statements of financial position as of September 30, 2016 and 2015, and the related consolidated statements of activities 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 consolidated 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 the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, in-

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cluding assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the consolidated 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 Society'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Society as of September 30, 2016 and 2015, 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.

Other Matter - Supplemental Information

Our audits were conducted for the purpose of forming opinions on the consolidated financial statements taken as a whole. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements taken as a whole.

Hirschfeld, Bloom + Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 690,900	577,536
Investments	3,429,417	3,752,860
Accounts receivable, net of allowance for doubtful accounts	355,055	167,753
Grant receivable	251,102	-
Interest receivable	7,596	12,038
Inventories	195,981	331,596
Prepaid expenses	158,177	117,494
Total Current Assets	<u>5,088,228</u>	<u>4,959,277</u>
Property and Equipment, net of accumulated depreciation	<u>669,307</u>	<u>552,679</u>
Total Assets	<u>\$ 5,757,535</u>	<u>5,511,956</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 431,171	209,021
Accrued salaries and payroll taxes	15,585	19,315
Deferred revenue	196,518	288,143
Total Current Liabilities	<u>643,274</u>	<u>516,479</u>
Net Assets		
Unrestricted	1,827,861	1,824,781
Temporarily restricted	3,286,400	3,170,696
Total Net Assets	<u>5,114,261</u>	<u>4,995,477</u>
Total Liabilities And Net Assets	<u>\$ 5,757,535</u>	<u>5,511,956</u>

See notes to financial statements

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES						
Contributions	\$ 1,653,509	2,751,642	4,405,151	1,324,390	2,945,824	4,270,214
Council solidarity	1,645,829	-	1,645,829	1,626,168	-	1,626,168
Grants	2,450	1,134,994	1,137,444	1,250	1,258,271	1,259,521
Publication and other sales	171,373	-	171,373	192,116	-	192,116
Interest and dividends	45,850	14,614	60,464	54,666	21,675	76,341
Net (loss) gain on investments	102,006	51,962	153,968	(39,544)	(9,845)	(49,389)
Insurance premiums	99,436	-	99,436	67,550	-	67,550
Regions and other	-	339,766	339,766	1,222	399,744	400,966
Meeting income	224,771	-	224,771	246,803	-	246,803
Loss on disposal of fixed assets	-	-	-	(42)	-	(42)
Net assets released from re- strictions:						
Restrictions satisfied by payments	4,177,274	(4,177,274)	-	4,700,973	(4,700,973)	-
Total Revenues	<u>8,122,498</u>	<u>115,704</u>	<u>8,238,202</u>	<u>8,175,552</u>	<u>(85,304)</u>	<u>8,090,248</u>
EXPENSES						
Program services:						
Disaster	2,482,849	-	2,482,849	3,097,119	-	3,097,119
Council and conference assistance	3,992,157	-	3,992,157	3,322,338	-	3,322,338
Supporting services:						
Management and general	594,978	-	594,978	661,009	-	661,009
Fundraising	1,049,434	-	1,049,434	1,052,912	-	1,052,912
Total Expenses	<u>8,119,418</u>	<u>-</u>	<u>8,119,418</u>	<u>8,133,378</u>	<u>-</u>	<u>8,133,378</u>
CHANGE IN NET ASSETS	3,080	115,704	118,784	42,174	(85,304)	(43,130)
NET ASSETS, OCTOBER 1	<u>1,824,781</u>	<u>3,170,696</u>	<u>4,995,477</u>	<u>1,782,607</u>	<u>3,256,000</u>	<u>5,038,607</u>
NET ASSETS, SEPTEMBER 30	<u>\$ 1,827,861</u>	<u>3,286,400</u>	<u>5,114,261</u>	<u>1,824,781</u>	<u>3,170,696</u>	<u>4,995,477</u>

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30

	2016	2015
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities:		
Cash received from contributors, councils, and others	\$ 7,267,567	7,725,490
Interest and dividends received	285	163
Cash received from publication and inventory sales	171,373	192,116
Cash paid for member services and administrative expenses	(7,784,582)	(8,205,892)
Net Cash Used In Operating Activities	(345,357)	(288,123)
Cash flows from investing activities:		
Investments purchased	(637,764)	(45,839)
Investments redeemed	1,222,478	286,734
Purchase of property and equipment	(125,993)	(138,983)
Net Cash Provided By Investing Activities	458,721	101,912
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	113,364	(186,211)
CASH AND CASH EQUIVALENTS, OCTOBER 1	577,536	763,747
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	\$ 690,900	577,536
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES		
Change in net assets	\$ 118,784	(43,130)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	48,486	49,211
Net loss (gain) on investments	(153,968)	49,389
Net loss on sale of fixed assets	-	42
Reinvestment of investment income	(64,621)	(61,068)
Donation of securities	(42,682)	(13,380)
(Increase) decrease in:		
Accounts receivable	(187,302)	(98,231)
Grant receivable	(251,102)	-
Interest receivable	4,442	(8,902)
Inventories	135,615	(133,034)
Prepaid expenses	(40,683)	3,355
Increase (decrease) in:		
Accounts payable	183,029	(3,690)
Accrued salaries and payroll taxes	(3,730)	5,436
Deferred revenue	(91,625)	(34,121)
Total Adjustments	(464,141)	(244,993)
Net Cash Used In Operating Activities	\$ (345,357)	(288,123)
Supplemental disclosure of cash flow information:		
Cash paid during the years for interest	\$ 77	30
Noncash investing activities:		
Acquisition of property and equipment through accounts payable	\$ 39,121	-

See notes to financial statements

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Society of St. Vincent de Paul is an international Catholic organization of lay persons, founded in 1833 by Frederic Ozanam and his companions. The National Council of The United States Society of St. Vincent de Paul, Inc., a nonprofit organization, incorporated in 1946, receives support from various areas across the United States of America with the purpose of providing services and relief to the needy around the world, particularly those involved in people-centered emergencies or disasters. Its wholly owned subsidiary, St. Vincent de Paul National Administration Services, Inc., receives monies from various councils across the United States and remits payments for insurance coverage. The consolidated financial statements include accounts of the National Council of The United States Society of St. Vincent de Paul, Inc. and St. Vincent de Paul National Administration Services, Inc. (collectively, the Society).

1. Basis of Presentation

Financial statement presentation follows the Financial Accounting Standards Board (FASB) standards for not-for-profit organizations. Under these standards, the Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Currently the Society has no permanently restricted net assets. The accompanying consolidated financial statements are presented on the accrual basis of accounting.

Regions are a division of the Society and their assets, liabilities, net assets, revenues, and expenses are included in these consolidated financial statements. The management of these Regions provides the Society the accounting for their transactions. Councils and conferences are not included in these consolidated financial statements.

Programs and Services

The Society provides a wide range of human services to people in need in the form of disaster relief, conference assistance, and assistance for the poor. The Society offers tangible assistance to those in need on a person-to-person basis. This aid may take the form of intervention, consultation, or often through direct dollar or in-kind service. An essential precept of the Society's work is to provide help while conscientiously maintaining the confidentiality and dignity of those who are served. The Society recognizes that it must assume a role of advocacy for those who are defenseless or voiceless.

Program services are provided in the following principal areas:

Disaster Relief -- The Society provides assistance including food and support to other Society entities for victims in times of natural disaster.

Council and Conference Assistance -- The Society provides assistance for use by other Society entities to provide direct assistance to the poor.

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Revenue Recognition

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

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support that is restricted by the donor is reported as an increase 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 assets released from restrictions.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

The activities of the Society are reported in two groups as follows:

Unrestricted includes resources available for the support of operations, purchase of property and equipment, and other activities at the discretion of the Society.

Temporarily Restricted includes amounts designated by donors for specific purposes.

3. Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market. Inventories consist of printed materials and supplies.

4. Income Taxes

The Society is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Society follows FASB accounting standards for uncertainty in income taxes. These standards require that uncertain income tax positions be "more likely than not" before the amounts are recognized in the consolidated financial statements. Further, the standards

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Income Taxes (Continued)

require the benefit or expense be recorded in the consolidated financial statements as the amount most likely to be realized assuming a review by tax authorities having all relevant information and applying current conventions. The Society has assessed its federal and state tax positions and determined there were no uncertainties or possible related effects that need to be recorded as of and for the years ended September 30, 2016 and 2015.

Open Years -- The federal and state income tax returns of the Society are subject to examination by the respective taxing authorities generally for three years after they were filed.

Income Tax Penalties and Interest Policy -- Penalties and interest assessed by income taxing authorities are included in operating expenses. The Society did not incur income tax penalties or interest for the years ended September 30, 2016 and 2015.

5. Donated Materials and Services

Donated materials, equipment, and services are recorded as contributions at their fair value at date of receipt. Donated services to the Society recorded as contributions amounted to \$28,100 and \$51,500 for the years ended September 30, 2016 and 2015, respectively. Donated materials of \$144,604 and \$300,641 were received and recorded in the Society's consolidated financial statements for the years ended September 30, 2016 and 2015, respectively.

6. Accounts Receivable

Accounts receivable is stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on collection expectations. Allowance for uncollectible receivables for council support in the unrestricted fund amounted to \$31,177 and \$21,521 for the years ended September 30, 2016 and 2015, respectively.

7. Gift Annuity

The Society has various gift annuities that are funded through third party annuity contracts with an insurance company. The amount of the net present value of the guaranteed payments to the beneficiary under the gift annuity contract, for this purpose, is based upon life expectancies and discount rates. At September 30, 2016 and 2015, the value of the offsetting asset and payable amounted to approximately \$261,692 and \$281,525, respectively.

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Deferred Revenue

The balance in this account consists of amounts collected during each year from grants and insurance to be recognized in the following year as related expenditures are incurred.

9. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the consolidated financial statements. Accordingly, actual results could differ from those estimates.

10. Compensated Absences

Earned vacation time is required to be used within one year of accrual. Upon termination, accumulated vacation will be paid to the employee. Sick leave is not paid upon termination, but will be paid only upon illness while in the employment of the Society.

11. Statements of Cash Flows

For purposes of the statements of cash flows, the Society considers all highly liquid debt instruments purchased with a maturity of three months or less, except money market funds, to be cash equivalents.

12. Fair Value of Financial Instruments

The Society's financial instruments are cash and cash equivalents, receivables, and payables. The recorded values of cash and cash equivalents, receivables, and payables approximate their fair values based on their short-term nature.

NOTE B - INVESTMENTS

The Society invests cash in excess of operating requirements in income producing investments. Investments are reported at fair value. The following is a summary of investments:

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE B - INVESTMENTS (Continued)

	September 30					
	2016			2015		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market	\$ 38,861	38,861	-	56,078	56,078	-
Repurchase agreement	258,594	258,594	-	140,343	140,343	-
Equities	-	-	-	1,033	987	(46)
Mutual funds:						
Debt	1,038,517	1,066,380	27,863	964,955	965,666	711
Mid cap	403,867	439,334	35,467	494,124	515,196	21,072
International	319,871	311,909	(7,962)	270,757	238,587	(32,170)
Real estate	33,375	41,425	8,050	41,360	47,798	6,438
Fixed income	1,469,690	1,531,509	61,819	1,894,473	1,928,548	34,075
Total	<u>\$ 3,562,775</u>	<u>3,688,012</u>	<u>125,237</u>	<u>3,863,123</u>	<u>3,893,203</u>	<u>30,080</u>

Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets or liabilities. Level 2 financial instruments are valued using quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data of substantially the full term of the assets or liabilities. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies, or similar techniques and at least one significant model assumption or input is unobservable and when determination of the fair value requires significant management judgment or estimation.

In instances where the determination of fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table summarizes investments that were accounted for at fair value within the fair value hierarchy:

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE B - INVESTMENTS (Continued)

	September 30							
	2016				2015			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Money market	\$ 38,861	-	-	38,861	56,078	-	-	56,078
Repurchase agreement	258,594	-	-	258,594	140,343	-	-	140,343
Equities	-	-	-	-	987	-	-	987
Mutual funds:								
Debt	1,066,380	-	-	1,066,380	965,666	-	-	965,666
Mid cap	439,334	-	-	439,334	515,196	-	-	515,196
International	311,909	-	-	311,909	238,587	-	-	238,587
Real estate	41,425	-	-	41,425	47,798	-	-	47,798
Fixed income	-	1,531,509	-	1,531,509	-	1,928,548	-	1,928,548
Total	\$ 2,156,503	1,531,509	-	3,688,012	1,964,655	1,928,548	-	3,893,203

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. According to the Society's purchasing policy, purchases are classified as capital in nature if they have a useful life of greater than one year and cost greater than \$500. Depreciation is computed on the straight-line method using asset lives as follows:

Assets	Years
Building and improvements	40
Office furniture and equipment	3 - 15

The following is a summary by fund type of major classes of property:

	September 30					
	2016			2015		
	Unrestricted General Fund	Unrestricted Building Fund	Total	Unrestricted General Fund	Unrestricted Building Fund	Total
Building and improvements	\$ -	651,497	651,497	-	644,426	644,426
Office furniture and equipment	454,382	6,118	460,500	447,404	6,118	453,522
Work in progress	216,219	-	216,219	65,203	-	65,203
	<u>670,601</u>	<u>657,615</u>	<u>1,328,216</u>	<u>512,607</u>	<u>650,544</u>	<u>1,163,151</u>
Less - Accumulated depreciation	<u>342,995</u>	<u>315,914</u>	<u>658,909</u>	<u>311,525</u>	<u>298,947</u>	<u>610,472</u>
Total	\$ 327,606	341,701	669,307	201,082	351,597	552,679

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE C - PROPERTY AND EQUIPMENT (Continued)

Depreciation expense for the year ended September 30, 2016 totaled \$31,520 and \$16,966 for the unrestricted General Fund and the unrestricted Building Fund, respectively. Depreciation expense for the year ended September 30, 2015 totaled \$33,911 and \$15,300 for the unrestricted General Fund and the unrestricted Building Fund, respectively.

The Society evaluates its property and equipment for indicators of possible impairment by comparison of the carrying amount to future net undiscounted cash flows expected to be generated by such assets when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Should an impairment exist, the impairment loss would be measured based on the excess carrying value of the asset over the asset's fair value or discounted estimates of future cash flows.

NOTE D - RELATED PARTIES

The Society receives support from the Society's councils located within the United States noted as council solidarity. Each council is charged a fee per year based on the councils' revenue. This support is used for the general administration of the Society. Additionally, the amounts received from and paid to councils for support amounted to \$147,029 and \$1,138,212, respectively, for the year ended September 30, 2016. The amounts received from and paid to the councils for support amounted to \$786,018 and \$2,137,221 for the year ended September 30, 2015, respectively. At September 30, 2016 and 2015, amounts payable to the local councils were \$15,184 and \$14,851, respectively.

The Society supports the International Council General, Society of St. Vincent de Paul, Inc. located in Paris, France. The amounts remitted were \$270,000 and \$281,437 for the years ended September 30, 2016 and 2015, respectively.

NOTE E - PENSION PLANS

The Society currently funds two pension plans:

1. **Deferred Contribution Simplified Employee Pension Plan** -- This plan allows discretionary employer contributions for certain national office employees. Currently the Society contributes 8% of eligible employees' compensation. Employees are considered 100% vested upon eligibility. Contributions for the years ended September 30, 2016 and 2015 totaled \$93,397 and \$81,112, respectively.
2. **Tax-Deferred Annuity Plan (TDA)** -- This plan allows employees to defer compensation as provided in Section 403(b) of the Internal Revenue Code. This plan is voluntary and contributions are made based upon a percentage of compensation elected by the employee.

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE F - LINE OF CREDIT

The Society has a \$250,000 line of credit with a bank, which expires August 2017. The line of credit has interest payable at 3.25% over the one-month LIBOR rate and is secured by certain investments. The outstanding balance due amounted to \$0 each year.

NOTE G - OPERATING LEASES

The Society is obligated under various non-cancelable operating leases for office equipment. The annual minimum lease payments under non-cancelable operating leases are as follows:

<u>For The Years Ending September 30</u>	
2017	\$ 28,595
2018	8,676
2019	8,676
2020	<u>723</u>
Total	<u>\$ 46,670</u>

Rent expense for the years ended September 30, 2016 and 2015 was \$115,039 and \$114,842, respectively.

NOTE H - INSURANCE

The Society is a member of an insurance pool trust, which provides coverage to its participating members. Should actual insurance losses exceed the insurance pool's estimates, the Society could be required to contribute additional funds.

NOTE I - CONCENTRATION OF CREDIT RISK

The Society's bank account balances were insured by the U.S. Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 at each financial institution. At September 30, 2016 and 2015, the amount in excess of the FDIC limit was \$0 and \$60,748, respectively.

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE J - NET ASSETS

Temporarily restricted net assets include the following balances, which are restricted to specific program services:

	September 30	
	2016	2015
Building Fund	\$ 436,780	441,486
Disaster Fund	1,004,111	1,084,934
Twinning Fund	42,826	10,376
Disaster Services Division Fund	131,461	268,625
CGI Fair Share Fund	-	100
Friends of the Poor Walk Fund	405,631	349,850
Dallas Pharmacy Fund	123,000	-
Scholarship Fund	4,150	4,650
Youth and Young Adults Fund	14,922	14,812
Escrow for Tulsa, OK Fund	1,671	1,670
Escrow for Jefferson City, MO Fund	30	30
Escrow for Toledo, OH Fund	-	14,669
Escrow for Harrisburg, PA Fund	2,448	2,447
Escrow for New York, NY Fund	48,405	48,376
Escrow for the Bronx, NY Fund	587,271	552,876
International Disaster Appeal Fund	32,475	17,202
Direct Mail Revenue Fund	15,000	-
EWTN Fund	2,500	-
Friends of the Poor Fund	209,185	116,804
HOPE Fund	51,740	44,917
International Twin Projects Fund	26,523	26,523
Haiti Earthquake Fund	144,037	168,115
Vincentian Family Gathering Fund	2,234	2,234
Total Temporarily Restricted Net Assets	<u>\$ 3,286,400</u>	<u>3,170,696</u>

NOTE K - GRANT RECEIVABLE

The Society has been awarded a grant to provide disaster relief services. This grant is considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. The grant receivable consists of \$251,102 and \$0 as of September 30, 2016 and 2015, respectively, from the State of Louisiana.

The Society considers the grant receivable to be fully collectible in the coming year and, therefore, has not recorded an allowance for bad debts.

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE L - ENDOWMENT FUNDS

As of September 30, 2016, the Board of Directors had designated \$124,283 of unrestricted net assets as a general endowment to support the operations of the Society. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets.

Composition of and changes in endowment net assets were as follows:

	September 30	
	2016	2015
Board-designated endowment net assets, beginning of year	\$ 28,772	-
Contributions	93,531	28,772
Investment income	738	-
Net appreciation (depreciation)	1,286	-
Amounts appropriated for expenditure	(44)	-
	\$ 124,283	28,772
Board-designated Endowment Net Assets, End Of Year	\$ 124,283	28,772

NOTE M - COMMITMENTS

The schedule of commitments is as follows:

	September 30	
	2016	2015
Workshops	\$ -	72,912
Website redesign	81,943	199,307
	\$ 81,943	272,219
Total	\$ 81,943	272,219

NOTE N - RECLASSIFICATION

Certain balances have been reclassified in the 2015 consolidated financial statements to conform with the current year presentation.

NOTE O - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 9, 2017, the date through which the consolidated financial statements were available for issue.

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION SECTION

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**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF ACTIVITIES - UNRESTRICTED
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>General Fund</u>	<u>Designated Expense Fund</u>	<u>National Administration Services, Inc.</u>	<u>Special Purpose Fund</u>	<u>Domestic Extension/ Twinning Fund</u>	<u>Ozanam Cause Fund</u>	<u>Building Fund</u>	<u>Bequests Fund</u>	<u>Total Unrestricted</u>
REVENUES									
Contributions	\$ 1,521,291	-	-	-	-	-	-	132,218	1,653,509
Council solidarity	1,645,829	-	-	-	-	-	-	-	1,645,829
Grants	2,450	-	-	-	-	-	-	-	2,450
Publication and other sales	171,373	-	-	-	-	-	-	-	171,373
Interest and dividends	45,155	-	-	-	-	-	-	695	45,850
Net gain on investments	100,720	-	-	-	-	-	-	1,286	102,006
Insurance premiums	-	-	99,436	-	-	-	-	-	99,436
Meeting income	224,771	-	-	-	-	-	-	-	224,771
Net assets released from restrictions:									
Restrictions satisfied by payments	-	4,129,050	-	-	-	-	48,224	-	4,177,274
Total Revenues	<u>3,711,589</u>	<u>4,129,050</u>	<u>99,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,224</u>	<u>134,199</u>	<u>8,122,498</u>
MEMBER SERVICES AND ADMINISTRATIVE EXPENSES	<u>3,832,813</u>	<u>4,129,050</u>	<u>99,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,119</u>	<u>-</u>	<u>8,119,418</u>
CHANGE IN NET ASSETS	(121,224)	-	-	-	-	-	(9,895)	134,199	3,080
NET ASSETS, OCTOBER 1	<u>1,378,411</u>	<u>-</u>	<u>-</u>	<u>3,376</u>	<u>17,771</u>	<u>27,785</u>	<u>351,596</u>	<u>45,842</u>	<u>1,824,781</u>
NET ASSETS, SEPTEMBER 30	<u>\$ 1,257,187</u>	<u>-</u>	<u>-</u>	<u>3,376</u>	<u>17,771</u>	<u>27,785</u>	<u>341,701</u>	<u>180,041</u>	<u>1,827,861</u>

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF ACTIVITIES - TEMPORARILY RESTRICTED
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Building Fund	Disaster Fund	Twining Fund	Disaster Services Division Fund	CGI Fair Share Fund	Friends Of The Poor Walk Fund	Dallas Pharmacy Fund	Scholar- ship Fund	Youth And Young Adults Fund
REVENUES									
Contributions	\$ -	516,049	317,459	533,811	(100)	451,493	123,000	-	110
Grants	-	-	-	499,722	-	-	-	-	-
Interest and dividends	14,614	-	-	-	-	-	-	-	-
Net gain on investments	28,753	-	-	-	-	-	-	-	-
Regions and other	151	-	-	339,615	-	-	-	-	-
Net assets released from restrictions:									
Restrictions satisfied by payments	(48,224)	(596,872)	(285,009)	(1,510,312)	-	(395,712)	-	(500)	-
Total Revenues	(4,706)	(80,823)	32,450	(137,164)	(100)	55,781	123,000	(500)	110
MEMBER SERVICES AND ADMINISTRATIVE EXPENSES	-	-	-	-	-	-	-	-	-
CHANGE IN NET ASSETS	(4,706)	(80,823)	32,450	(137,164)	(100)	55,781	123,000	(500)	110
NET ASSETS, OCTOBER 1	441,486	1,084,934	10,376	268,625	100	349,850	-	4,650	14,812
NET ASSETS, SEPTEMBER 30	<u>\$ 436,780</u>	<u>1,004,111</u>	<u>42,826</u>	<u>131,461</u>	<u>-</u>	<u>405,631</u>	<u>123,000</u>	<u>4,150</u>	<u>14,922</u>

(Continued)

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF ACTIVITIES - TEMPORARILY RESTRICTED (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Escrow For Tulsa, OK Fund	Escrow For Jefferson City, MO Fund	Escrow For Toledo, OH Fund	Escrow For Harrisburg, PA Fund	Escrow For New York, NY Fund	Escrow For Bronx, NY Fund	International Disaster Appeal Fund	CCHD Grant Fund
REVENUES								
Contributions	1	-	-	1	29	11,186	104,071	-
Grants	-	-	-	-	-	-	-	635,272
Interest and dividends	-	-	-	-	-	-	-	-
Net gain on investments	-	-	-	-	-	23,209	-	-
Regions and other	-	-	-	-	-	-	-	-
Net assets released from restrictions:								
Restrictions satisfied by payments	-	-	(14,669)	-	-	-	(88,798)	(635,272)
Total Revenues	<u>1</u>	<u>-</u>	<u>(14,669)</u>	<u>1</u>	<u>29</u>	<u>34,395</u>	<u>15,273</u>	<u>-</u>
MEMBER SERVICES AND ADMINISTRATIVE EXPENSES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	1	-	(14,669)	1	29	34,395	15,273	-
NET ASSETS, OCTOBER 1	<u>1,670</u>	<u>30</u>	<u>14,669</u>	<u>2,447</u>	<u>48,376</u>	<u>552,876</u>	<u>17,202</u>	<u>-</u>
NET ASSETS, SEPTEMBER 30	<u><u>1,671</u></u>	<u><u>30</u></u>	<u><u>-</u></u>	<u><u>2,448</u></u>	<u><u>48,405</u></u>	<u><u>587,271</u></u>	<u><u>32,475</u></u>	<u><u>-</u></u>

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF ACTIVITIES - TEMPORARILY RESTRICTED (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Direct Mail Revenue Fund	EWTN Fund	Friends Of The Poor Fund	HOPE Fund	International Twin Projects Fund	Haiti Earthquake Fund	Haiti Vincentian Family Fund	Vincentian Family Gathering Fund	Annuities Fund	Total Temporarily Restricted
REVENUES										
Contributions	15,503	2,500	599,783	8,679	-	47,922	7,645	-	12,500	2,751,642
Grants	-	-	-	-	-	-	-	-	-	1,134,994
Interest and dividends	-	-	-	-	-	-	-	-	-	14,614
Net gain on investments	-	-	-	-	-	-	-	-	-	51,962
Regions and other	-	-	-	-	-	-	-	-	-	339,766
Net assets released from restrictions:										
Restrictions satisfied by payments	(503)	-	(507,402)	(1,856)	-	(72,000)	(7,645)	-	(12,500)	(4,177,274)
Total Revenues	15,000	2,500	92,381	6,823	-	(24,078)	-	-	-	115,704
MEMBER SERVICES AND ADMINISTRATIVE EXPENSES	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET ASSETS	15,000	2,500	92,381	6,823	-	(24,078)	-	-	-	115,704
NET ASSETS, OCTOBER 1	-	-	116,804	44,917	26,523	168,115	-	2,234	-	3,170,696
NET ASSETS, SEPTEMBER 30	15,000	2,500	209,185	51,740	26,523	144,037	-	2,234	-	3,286,400

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY
SUPPLEMENTAL INFORMATION - CONSOLIDATED SCHEDULE OF
MEMBER SERVICES AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>General Fund</u>	<u>National Administration Services, Inc.</u>	<u>Building Fund</u>
Personnel costs:			
Salaries and payroll taxes	\$ 1,374,129	-	-
Pension	93,397	-	-
Staff insurance	215,834	-	-
Staff training	1,377	-	-
Total Personnel Costs	<u>1,684,737</u>	-	-
Accounting	14,202	-	-
Administration	34,011	-	2,400
Bad debt expense	12,119	-	-
Depreciation	28,149	-	16,966
Development	725,429	-	-
Insurance	21,206	-	3,179
Insurance premium - NAS	-	99,436	-
International Council	270,000	-	-
Legal fees	104,649	-	-
Materials for resale	94,423	-	-
Meetings	625,159	-	-
Membership services	68,376	-	-
Office	28,206	-	-
Other	1,404	-	2,326
Postage	3,867	-	-
Printing	6,935	-	-
Rent	1,430	-	-
Repairs and maintenance	-	-	23,026
Stores committee	19,513	-	-
Support services	7,154	-	-
Telephone	19,054	-	-
Training programs	4,603	-	-
Travel	58,187	-	-
Utilities	-	-	<u>10,222</u>
 Total Consolidated Schedule Of Member Services And Administrative Expenses	 <u>\$ 3,832,813</u>	 <u>99,436</u>	 <u>58,119</u>

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
SUPPLEMENTAL INFORMATION - CONSOLIDATED
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Program Services</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel costs:				
Salaries and payroll taxes	\$ 783,254	357,274	233,601	1,374,129
Pension	53,236	24,283	15,878	93,397
Staff insurance	123,025	56,117	36,692	215,834
Staff training	785	358	234	1,377
Total Personnel Costs	<u>960,300</u>	<u>438,032</u>	<u>286,405</u>	<u>1,684,737</u>
Accounting	8,095	3,693	2,414	14,202
Administration	20,754	9,467	6,190	36,411
Bad debt expense	12,119	-	-	12,119
Depreciation	25,716	11,730	7,669	45,115
Development	-	-	725,429	725,429
Grants and allocations	4,129,050	-	-	4,129,050
Insurance	13,899	6,340	4,146	24,385
Insurance premium - NAS	-	99,436	-	99,436
International Council	270,000	-	-	270,000
Legal fees	104,649	-	-	104,649
Materials for resale	94,423	-	-	94,423
Meetings	625,159	-	-	625,159
Membership services	68,376	-	-	68,376
Office	16,077	7,334	4,795	28,206
Other	2,126	970	634	3,730
Postage	2,204	1,005	658	3,867
Printing	3,953	1,803	1,179	6,935
Rent	815	372	243	1,430
Repairs and maintenance	13,125	5,987	3,914	23,026
Stores	19,513	-	-	19,513
Support services	7,154	-	-	7,154
Telephone	10,861	4,954	3,239	19,054
Training programs	2,624	1,197	782	4,603
Travel	58,187	-	-	58,187
Utilities	5,827	2,658	1,737	10,222
	<u>5,827</u>	<u>2,658</u>	<u>1,737</u>	<u>10,222</u>
 Total Consolidated Schedule Of Functional Expenses	 <u><u>\$ 6,475,006</u></u>	 <u><u>594,978</u></u>	 <u><u>1,049,434</u></u>	 <u><u>8,119,418</u></u>

**NATIONAL COUNCIL OF THE UNITED STATES SOCIETY
OF ST. VINCENT DE PAUL, INC. AND SUBSIDIARY**
SUPPLEMENTAL INFORMATION - CONSOLIDATED
SCHEDULE OF PROGRAM SERVICES EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Disaster</u>	<u>Council And Conference Assistance</u>	<u>Total</u>
Personnel costs:			
Salaries and payroll taxes	\$ 78,325	704,929	783,254
Pension	5,324	47,912	53,236
Staff insurance	12,303	110,722	123,025
Staff training	79	706	785
Total Personnel Costs	<u>96,031</u>	<u>864,269</u>	<u>960,300</u>
Accounting	-	8,095	8,095
Administration	-	20,754	20,754
Bad debt expense	-	12,119	12,119
Depreciation	-	25,716	25,716
Grants and allocations	2,277,483	1,851,567	4,129,050
Insurance	-	13,899	13,899
International Council	-	270,000	270,000
Legal fees	-	104,649	104,649
Materials for resale	-	94,423	94,423
Meetings	100,025	525,134	625,159
Membership services	-	68,376	68,376
Office	-	16,077	16,077
Other	-	2,126	2,126
Postage	-	2,204	2,204
Printing	-	3,953	3,953
Rent	-	815	815
Repairs and maintenance	-	13,125	13,125
Stores	-	19,513	19,513
Support services	-	7,154	7,154
Telephone	-	10,861	10,861
Training programs	-	2,624	2,624
Travel	9,310	48,877	58,187
Utilities	-	5,827	5,827
	<u>-</u>	<u>5,827</u>	<u>5,827</u>
 Total Consolidated Schedule Of Program Services Expenses	 <u>\$ 2,482,849</u>	 <u>3,992,157</u>	 <u>6,475,006</u>