Marillac St. Vincent Ministries, Inc. and Marillac St. Vincent Family Services, Inc.

Consolidated Financial Report
with Additional Information
June 30, 2019

Marillac St. Vincent Ministries, Inc. and Marillac St. Vincent Family Services, Inc.

Contents

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Independent Auditor's Report

To the Board of Trustees
Marillac St. Vincent Ministries, Inc. and
Marillac St. Vincent Family Services, Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Marillac St. Vincent Ministries, Inc. and Marillac St. Vincent Family Services, Inc. (collectively, the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2019 and 2018 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, including the 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 entity'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 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 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 Marillac St. Vincent Ministries, Inc. and Marillac St. Vincent Family Services, Inc. as of June 30, 2019 and 2018 and the changes in their net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the consolidated financial statements, the Organization adopted the provisions of the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

To the Board of Trustees
Marillac St. Vincent Ministries, Inc. and
Marillac St. Vincent Family Services, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2019 on our consideration of Marillac St. Vincent Ministries, Inc. and Marillac St. Vincent Family Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marillac St. Vincent Ministries, Inc. and Marillac St. Vincent Family Services, Inc.'s internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 8, 2019

Consolidated Statement of Financial Position

June 30, 2019 and 2018

	2019	2018
Assets		
Current Assets		
Cash and cash equivalents	$ 398,050	$ 202,453
Receivables:		
Grants receivable	1,344,053	1,705,374
Pledges receivable (Note 12)	158,072	368,515
Others	119,700	26,265
Prepaid expenses	98,928	19,710
Total current assets	2,118,803	2,322,317
Investments - Noncurrent (Note 3)	30,653,659	28,513,901
Pledges Receivables - Noncurrent (Note 12)	250,000	500,000
Property and Equipment - Net (Note 4)	16,044,729	16,949,141
Total assets	**$ 49,067,191**	**$ 48,285,359**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 596,004	$ 438,571
Accrued liabilities and other:		
Accrued payroll-related expenses	706,490	675,343
Other liabilities	67,639	62,639
Interest payable	231,117	52,336
Total current liabilities	1,601,250	1,228,889
Long-term Liabilities - Bonds payable less unamortized bond issuance costs (Note 9)	28,177,777	28,287,321
Other Long-term Liabilities - Pension benefit obligations (Note 6)	718,086	318,809
Total liabilities	30,497,113	29,835,019
Net Assets		
Net assets without donor restrictions	15,082,990	14,589,281
Net assets with donor restrictions (Note 7)	3,487,088	3,861,059
Total net assets	18,570,078	18,450,340
Total liabilities and net assets	**$ 49,067,191**	**$ 48,285,359**

See notes to consolidated financial statements.

Consolidated Statement of Activities and Changes in Net Assets

Years Ended June 30, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Contributions	$ 1,088,078	$ 988,501	$ 2,076,579	$ 1,916,739	$ 1,820,908	$ 3,737,647
In-kind donations - Related party (Note 5)	1,834,503	-	1,834,503	1,797,041	-	1,797,041
Contributions - Related party (Note 5)	1,026,300	173,250	1,199,550	618,300	106,000	724,300
Special events	854,309	-	854,309	947,195	-	947,195
Grants from governmental agencies	9,779,643	-	9,779,643	9,268,138	-	9,268,138
Program service fees	815,895	-	815,895	760,783	-	760,783
Investment income - Net	869,877	19,883	889,760	1,337,280	42,315	1,379,595
Space use fees/rental income	586,034	-	586,034	557,992	-	557,992
Thrift store sales	59,739	-	59,739	66,926	-	66,926
Miscellaneous	48,801	-	48,801	31,837	-	31,837
Total revenue and support	16,963,179	1,181,634	18,144,813	17,302,231	1,969,223	19,271,454
Net Assets Released from Restrictions	1,555,605	(1,555,605)	-	1,489,225	(1,489,225)	-
Total revenue, support, and net assets released from restrictions	18,518,784	(373,971)	18,144,813	18,791,456	479,998	19,271,454
Expenses						
Program services	15,198,974	-	15,198,974	14,211,708	-	14,211,708
Support services:						
Management and general	1,320,871	-	1,320,871	1,532,351	-	1,532,351
Fundraising	952,494	-	952,494	994,308	-	994,308
Total expenses	17,472,339	-	17,472,339	16,738,367	-	16,738,367
Increase (Decrease) in Net Assets - Before pension-related changes other than net periodic pension expense	1,046,445	(373,971)	672,474	2,053,089	479,998	2,533,087
Pension-related Changes Other Than Net Periodic Pension Expense	(552,736)	-	(552,736)	147,559	-	147,559
Increase (Decrease) in Net Assets	493,709	(373,971)	119,738	2,200,648	479,998	2,680,646
Net Assets - Beginning of year	14,589,281	3,861,059	18,450,340	12,388,633	3,381,061	15,769,694
Net Assets - End of year	**$ 15,082,990**	**$ 3,487,088**	**$ 18,570,078**	**$ 14,589,281**	**$ 3,861,059**	**$ 18,450,340**

See notes to consolidated financial statements.

Consolidated Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services	Management and General	Fundraising	Total
Salaries, wages, and stipends	$ 8,067,225	$ 929,018	$ 422,119	$ 9,418,362
Employee benefits	1,491,520	67,230	79,108	1,637,858
Pension periodic benefit	(138,063)	(9,078)	(6,318)	(153,459)
Total salaries and related expenses	9,420,682	987,170	494,909	10,902,761
Professional fees	84,994	130,300	10,607	225,901
Occupancy	1,330,916	46,783	20,293	1,397,992
In-kind/Related party expenses	1,431,152	29,368	71,208	1,531,728
Direct client	924,192	26,134	14,259	964,585
Communication and technology	101,924	69,262	44,560	215,746
Depreciation and amortization	1,204,692	5,117	3,155	1,212,964
Supplies and other	100,089	26,737	27,048	153,874
Interest expense and fees	600,333	-	-	600,333
Direct special event expense	-	-	266,455	266,455
Total functional expenses	**$ 15,198,974**	**$ 1,320,871**	**$ 952,494**	**$ 17,472,339**

Consolidated Statement of Functional Expenses

Year Ended June 30, 2018

	Program Services	Management and General	Fundraising	Total
Salaries, wages, and stipends	$ 7,347,639	$ 1,013,985	$ 447,086	$ 8,808,710
Employee benefits	1,428,276	246,314	77,811	1,752,401
Pension periodic benefit	(151,419)	(3,076)	(7,389)	(161,884)
Total salaries and related expenses	8,624,496	1,257,223	517,508	10,399,227
Professional fees	42,299	110,658	15,077	168,034
Occupancy	1,279,487	23,135	31,844	1,334,466
In-kind/Related party expenses	1,431,151	29,369	71,208	1,531,728
Direct client	841,461	19,548	22,581	883,590
Communication and technology	173,815	58,007	65,763	297,585
Depreciation and amortization	1,190,056	8,215	19,918	1,218,189
Supplies and other	58,318	26,196	29,135	113,649
Interest expense and fees	570,625	-	-	570,625
Direct special event expense	-	-	221,274	221,274
Total functional expenses	**$ 14,211,708**	**$ 1,532,351**	**$ 994,308**	**$ 16,738,367**

Consolidated Statement of Cash Flows

Years Ended June 30, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Increase in net assets	$ 119,738	$ 2,680,646
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	1,212,964	1,218,189
Realized and change in unrealized gains on investments	(911,406)	(1,399,984)
Bad debt expense	66,610	15,000
Amortization of bond issuance costs	18,790	18,000
Changes in operating assets and liabilities that provided (used) cash:		
Accounts and grants receivable	267,886	(962,358)
Pledges receivable	393,833	(632,079)
Prepaid expenses	(79,218)	(2,912)
Accounts payable and other accrued expenses	372,361	162,305
Pensions and postretirement benefits	399,277	(309,443)
Net cash provided by operating activities	1,860,835	787,364
Cash Flows from Investing Activities		
Capital expenditures	(308,552)	(258,069)
Proceeds from sale of investments	521,648	2,253,044
Purchase of investments	(1,750,000)	(2,828,000)
Net cash used in investing activities	(1,536,904)	(833,025)
Cash Flows Used in Financing Activities - Bond issuance costs	(128,334)	-
Net Increase (Decrease) in Cash and Cash Equivalents	195,597	(45,661)
Cash and Cash Equivalents - Beginning of year	202,453	248,114
Cash and Cash Equivalents - End of year	**$ 398,050**	**$ 202,453**
Supplemental Cash Flow Information - Interest paid	$ 210,776	$ 265,313

Note 1 - Nature of Business

Marillac St. Vincent Ministries, Inc. (MSVM) and Marillac St. Vincent Family Services, Inc. (MSV) are Illinois not-for-profit corporations providing and supporting social services in the Chicagoland area. Their mission is to strengthen, empower, and give voice to those in need, in the Vincentian spirit of service, through education and comprehensive programs to build vibrant communities in Chicago. MSVM is the sole owner of MSV. The assets, liabilities, and activities of these organizations are presented in these consolidated financial statements.

Note 2 - Significant Accounting Policies

Consolidation

The accompanying consolidated financial statements include the accounts of MSVM and MSV (collectively, the "Organization"). Intercompany transactions and balances have been eliminated in consolidation.

Adoption of New Accounting Principles

As of July 1, 2018, the Organization adopted the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The Organization adopted the ASU using the full retrospective method. The adoption of the ASU did not result in a restatement of the 2018 financial information, as there was no change to the timing of revenue recognition.

As of July 1, 2018, the Organization adopted ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entitie*s. ASU No. 2016-14 requires changes to the financial reporting model of organizations that follow FASB not-for-profit rules, including net asset classification, liquidity and availability of resources, and details of expenses by natural and functional classification and methods of allocation. The ASU also clarifies the definition of management and general and prohibits certain expenses from being allocated out of management and general. All applicable changes to the reporting model have been incorporated into the Organization's consolidated financial statements retrospectively. As a result of the ASU, management and general expenses have increased $747,525 from the amount previously reported, with a corresponding decrease in program expenses by the same amount for the year ended June 30, 2018. Furthermore, special event expense of $221,274 that was previously reported net with special event revenue has been restated as fundraising expense for the year ended June 30, 2018. In addition, net assets previously reported as temporarily restricted net assets and net assets previously reported as permanently restricted net assets have been combined into net assets with donor restrictions.

Note 2 - Significant Accounting Policies (Continued)

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The accounting guidance will result in more governmental contracts being accounted for as contributions and may delay revenue recognition for certain grants and contributions that no longer meet the definition of unconditional. The Organization adopted the ASU effective July 1, 2018 on a modified prospective basis. The adoption of this ASU resulted in the recognition of government grants revenue as the conditions of the grants have been met. The adoption of the ASU did not result in a restatement of the 2018 financial information, as there was no change to the timing of revenue recognition.

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Cash and Cash Equivalents

Cash includes monies held in checking accounts and highly liquid, interest-bearing accounts without significant withdrawal restrictions. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments

The Organization's investments, stated at fair value, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to these and other risk factors, it is reasonably possible that changes in the value of the investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

The Organization's funds are primarily invested in Ascension Alpha Fund, LLC (Alpha Fund), a Delaware limited liability company. Ascension Investment Management (AIM), a Missouri limited liability company, serves as Alpha Fund's manager and principal investment advisor. AIM is registered as an investment advisor under the Investment Advisors Act of 1940, as amended.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair value as of the date of donation and are being depreciated on a straight-line method based on their estimated useful lives. Major additions are capitalized, while replacements, maintenance, and repairs, which do not improve or extend the lives of the respective assets, are expensed currently.

Note 2 - Significant Accounting Policies (Continued)

Contributions

Unconditional promises to give cash and other assets to the Organization are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received. The gifts are reported as contributions with donor restrictions 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 the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying consolidated financial statements.

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. All noncurrent pledges receivable are expected to be collected within one to five years. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible. The allowance recorded as of June 30, 2019 and 2018 was $101,610 and $35,000, respectively.

The Organization records in-kind donations at fair value at the date of receipt.

Grant Revenue

Grant revenue received for grants is considered a nonexchange transaction and is recognized as the conditions of the grants have been met. Grant funding received in advance of conditions being met is recorded as deferred revenue.

Revenue Recognition for Contracts with Customers

The Organization's revenue streams under contracts with customers are composed of special events revenue, program service fees, space use fees, and thrift store sales.

For special events, the Organization has performance obligations directly related to hosting an event. The revenue is recognized at a point in time, when an event occurs.

For program services fees, the Organization has performance obligations directly related to providing childcare and tuition services. The revenue is recognized over time, as the customer simultaneously receives and consumes the benefits of these services as the contract is completed.

For space use fees, the Organization has performance obligations directly related to providing space. The revenue is recognized at a point in time, when the space is used by the customer.

For thrift store sales, the Organization has performance obligations directly related to a point of sale transaction. The revenue is recognized at a point in time, when the sale occurs.

The transaction price is calculated as the amount of consideration to which the Organization expects to be entitled (based on event agreements, tuition fees set in advance, rental agreements, or merchant price). In some situations (such as tuition fees for education programs, sponsorship, or security of space rental), the Organization collects cash prior to the satisfaction of the performance obligation, which results in the Organization recognizing contract liabilities upon receipt of payment. There were no contract liabilities as of June 30, 2019 and 2018.

Note 2 - Significant Accounting Policies (Continued)

Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the consolidated statement of activities and changes in net assets. Costs have been charged to the various programs and support services on an actual or direct basis. Additionally, the following indirect costs have been allocated between the various programs and support services based on estimates, as determined by management:

- Information technology salaries - by headcount per department
- Depreciation - by building square footage
- Occupancy - by building square footage

Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income Taxes

The Organization is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the statement of financial position. The reporting of lease-related expenses in the statements of activities and changes in net assets and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending June 30, 2020 (there is currently a proposal to delay the implementation date for this standard by one year) and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The new lease standard is expected to have an effect on the Organization's consolidated financial statements as a result of various office equipment leases classified as operating leases. The effect of applying the new lease guidance is expected to increase long-term assets, increase short-term and long-term liabilities, and either increase or decrease net assets.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including October 8, 2019, which is the date the financial statements were available to be issued.

Note 3 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Organization's assets measured at fair value on a recurring basis at June 30, 2019 and 2018 and the valuation techniques used by the Organization to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Investments measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy above. The estimated fair value for the private commingled fund of the AIM Alpha Fund was based on net asset value per share of the fund for the years ended June 30, 2019 and 2018.

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2019				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at June 30, 2019
Assets - Investments - Private commingled fund of the AIM Alpha Fund	$ -	$ -	$ -	$ 30,653,659	$ 30,653,659

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2018				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at June 30, 2018
Assets - Investments - Private commingled fund of the AIM Alpha Fund	$ -	$ -	$ -	$ 28,513,901	$ 28,513,901

Note 3 - Fair Value Measurements (Continued)

Investments in Entities that Calculate Net Asset Value per Share

The Organization holds shares or interests in investment companies at year end whereby the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment company.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Investments Held at June 30, 2019		
	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible
Private commingled fund of the AIM Alpha Fund	$ 30,653,659	$ -	Daily

	Investments Held at June 30, 2018		
	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible
Private commingled fund of the AIM Alpha Fund	$ 28,513,901	$ -	Daily

The Organization's asset allocation included equity securities, high-yield bonds, liquid real assets, cash, and core and unconstrained fixed income. The AIM Alpha Fund's underlying investments are in line with the Organization's allocation policy. All earnings, less operating expenses, are distributed to investors based on ownership within the strategies.

Note 4 - Property and Equipment

Property and equipment are summarized as follows:

	2019	2018	Depreciable Life - Years
Buildings	$ 24,496,372	$ 24,514,372	40
Leasehold improvements	6,088,724	5,859,095	Remaining life of leased asset or estimated useful life, if shorter
Furniture and fixtures	4,534,856	4,455,933	5-10
Vehicles	705,995	705,995	5-10
Total cost	35,825,947	35,535,395	
Accumulated depreciation and amortization	19,781,218	18,586,254	
Net property and equipment	$ 16,044,729	$ 16,949,141	

Depreciation and amortization expense for 2019 and 2018 was $1,212,964 and $1,218,189, respectively.

Note 5 - Related Party Transactions

The Organization has several related parties, including Daughters of Charity, Inc. (DOC). DOC is a parent entity of Mission and Ministry, Inc. (MMI) and Daughters of Charity Ministries, Inc. (DCM), which is the parent entity of the Organization. Effective June 30, 2019, operations of MMI were transferred to DOC, and the MMI entity dissolved.

Note 5 - Related Party Transactions (Continued)

MMI contributed $173,250 and $106,000 to support various programs in 2019 and 2018, respectively. MMI was the guarantor on the line of credit disclosed in Note 10. DCM contributed $1,026,300 and $618,300 to support programming in 2019 and 2018, respectively.

MMI paid $300,166 and $265,313 for one-half of the interest expense related to the bonds payable in 2019 and 2018, respectively, which is recorded as in-kind contribution. DCM has two land lease agreements with the Organization, as described in Note 11. An in-kind contribution of $1,531,728 was recorded for both years ended June 30, 2019 and 2018, as well as the related rent expense.

Note 6 - Pension Plans

The Organization participates in noncontributory multiple-employer defined benefit pension plans sponsored by Ascension Health. Prior to December 31, 2012, the date the plans were frozen, the plans covered all employees working 1,000 hours or more per year. The normal retirement benefit of the plans is a monthly retirement income, which is computed based on years of service and a percentage of highest (five-year) average compensation up to the date the plans were frozen. Contributions to the plans are determined as amounts necessary to provide for benefits attributed to service to date and those expected to be earned in the future.

Under accounting principles generally accepted in the United States of America, the Organization is required to recognize the overfunded or underfunded status of a defined benefit plan as an asset or liability in its consolidated statement of financial position.

Change in Benefit Obligation

Amounts recognized in the consolidated statement of financial position consist of the following:

	2019	2018
Balance at beginning of year	$ 5,957,054	$ 6,274,759
Interest cost	243,113	240,090
Benefits paid	(307,358)	(275,292)
Assumption changes	438,342	(304,760)
Actuarial gain	38,962	22,257
Balance at end of year	$ 6,370,113	$ 5,957,054

Change in Plan Assets

	2019	2018
Fair value of plan assets at beginning of year	$ 5,638,245	$ 5,646,507
Actual return on assets	321,140	267,030
Benefits paid	(307,358)	(275,292)
Fair value of plan assets at end of year	5,652,027	5,638,245
Plan liabilities in excess of plan assets	718,086	318,809
Accumulated benefit obligation	$ 6,370,113	$ 5,957,054

Note 6 - Pension Plans (Continued)

Amounts included in unrestricted net assets as of June 30, 2019 and 2018 that have not yet been recognized in the Organization's operations consist of the following:

	2019	2018
Unrecognized net actuarial loss	$ 2,459,641	$ 1,909,740
Unrecognized prior service credit	(421)	(3,209)
Total	$ 2,459,220	$ 1,906,531

Changes in plan assets and benefit obligations recognized in unrestricted net assets during the years ended June 30, 2019 and 2018 include the following:

	2019	2018
Current year actuarial loss (gain)	$ 623,458	$ (66,537)
Amortization of actuarial loss	(73,560)	(83,949)
Amortization of prior service credit	2,838	2,927
Total	$ 552,736	$ (147,559)

Components of net periodic benefit income are as follows:

	2019	2018
Net Periodic Benefit Income		
Interest cost	$ 243,113	$ 240,090
Expected return on plan assets	(467,297)	(482,996)
Amortization of prior service credit	(2,838)	(2,927)
Amortization of actuarial loss	73,560	83,949
Net periodic benefit income	$ (153,462)	$ (161,884)

The prior service credit and actuarial loss (gain) are included in net assets without donor restrictions, and the related amounts expected to be recognized in net periodic pension cost during the years ended June 30, 2019 and 2018 are as follows:

	2019	2018
	$ 120,000	$ 100,000

Assumptions

	2019	2018
Discount rate	3.60%	4.30%
Rate of return on plan assets	8.50%	8.50%

Description of Investment Policies and Strategies for Plan Assets

The Ascension Health pension plan's asset allocation and investment strategies are designed to earn superior returns on plan assets consistent with a reasonable and prudent level of risk. Investments are diversified across classes, sectors, and manager style to minimize the risk of large losses. Derivatives may be used to bridge specific exposure, reduce transaction costs, or modify the portfolio's duration or yield. The plan uses investment managers specializing in each asset category and, where appropriate, provides the investment manager with specific guidelines that include allowable and/or prohibited investment types. Ascension Health regularly monitors manager performance and compliance with investment guidelines.

Note 6 - Pension Plans (Continued)

The weighted-average asset allocations for the plan as of June 30, 2019 and 2018 and the target allocation for fiscal years ended June 30, 2019 and 2018, by asset category, are as follows:

	2019		2018	
	Target	Percentage of Plan Assets at Year End	Target	Percentage of Plan Assets at Year End
Asset category:				
Growth	57.00 %	57.00 %	57.00 %	60.00 %
Deflation	28.00	31.00	28.00	25.00
Inflation	15.00	12.00	15.00	15.00
Total	100.00 %	100.00 %	100.00 %	100.00 %

Pension Plan Assets

The Ascension Health pension plan's assets are reported at fair value, using the fair value hierarchy, as disclosed in Note 3. The following tables represent the plan assets of Master Ascension Health Plan (the "Master Plan"), set forth by level within the fair value hierarchy, that were accounted for at fair value on a recurring basis as of June 30, 2019 and 2018. The Organization's plan is approximately 0.1 percent of the Master Plan as of June 30, 2019 and 2018.

Note 6 - Pension Plans (Continued)

The fair values of the Master Plan's assets and liabilities at June 30, 2019 by major asset and liability classes are as follows:

	Fair Value Measurements at June 30, 2019 (in thousands)			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Pooled short-term investment funds	$ 608,709	$ -	$ -	$ 608,709
Foreign currency	6,090	-	-	6,090
Commercial paper	-	13,000	-	13,000
U.S. government, state, municipal, and agency obligations	-	1,595,177	-	1,595,177
Asset-backed securities:				
U.S. agency	-	120,267	-	120,267
Corporate	-	1,234,196	18,143	1,252,339
Corporate and foreign government fixed maturities:				
United States	-	267,294	1,055	268,349
International	-	264,813	2	264,815
Equity securities:				
United States	1,037,869	4,436	-	1,042,305
International	886,389	-	14	886,403
Other assets -				
Derivatives receivable	2,124	144,703	1,591	148,418
Liabilities -				
Derivatives payable	(2,843)	(211,045)	(641)	(214,529)
Subtotal	$ 2,538,338	$ 3,432,841	$ 20,164	5,991,343
Investments measured at NAV:				
Corporate and foreign government fixed maturities				13,104
Equity securities				138,431
Private equity and real estate funds				1,315,106
Hedge funds				890,766
Commodities funds				32,413
Other assets - Other receivables				187,667
Liabilities - Other payables				(115,447)
Total investments measured at NAV				2,462,040
Total investments at fair value				$ 8,453,383

Note 6 - Pension Plans (Continued)

The fair values of the Master Plan's assets and liabilities at June 30, 2018 by major asset and liability classes are as follows:

	Fair Value Measurements at June 30, 2018 (in thousands)			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Asset Classes				
Pooled short-term investment funds	$ 475,660	$ -	$ -	$ 475,660
Foreign currency	4,980	-	-	4,980
Commercial paper	-	11,057	-	11,057
U.S. government, state, municipal, and agency obligations	-	1,349,069	-	1,349,069
Asset-backed securities:				
U.S. agency	-	126,890	193	127,083
Corporate	-	503,788	5,888	509,676
Corporate and foreign government fixed maturities:				
United States	-	516,666	1,033	517,699
International	-	158,155	2	158,157
Equity securities:				
United States	1,125,817	4,918	-	1,130,735
International	995,564	-	1,779	997,343
Other assets -				
Derivatives receivable	2,061	93,099	-	95,160
Liabilities -				
Derivatives payable	(5,064)	(313,828)	(391)	(319,283)
Subtotal	$ 2,599,018	$ 2,449,814	$ 8,504	5,057,336
Investments measured at NAV:				
Corporate and foreign government fixed maturities				10,262
Equity securities				238,328
Private equity and real estate funds				1,092,155
Hedge funds				1,063,108
Commodities funds				131,769
Other assets - Other receivables				305,496
Liabilities - Other payables				(106,274)
Total investments measured at NAV				2,734,844
Total investments at fair value				$ 7,792,180

Note 6 - Pension Plans (Continued)

Level 1 Inputs

Fair value for equity securities is determined by external fund managers based on quoted market prices in active markets.

Level 2 and 3 Inputs

The fair value of investments in U.S. government, state, municipal, and agency obligations is primarily determined using techniques consistent with the income approach. Significant observable inputs include benchmark yields, reported trades, observable broker/dealer quotes, and issuer spreads.

The fair value of U.S. agency and corporate asset-backed securities is primarily determined using techniques consistent with the income approach. Significant observable inputs include prepayment speeds and spreads, benchmark yield curves, volatility measures, and observable broker/dealer quotes.

The fair value of investments in United States and international corporate bonds and foreign government bonds is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker/dealer quotes, issuer spreads, and security-specific characteristics (e.g., early redemption options).

The fair value of investments in United States and international equity securities is primarily determined using techniques that are consistent with the market and income approaches. The values for underlying investments are fair value estimates determined by an external fund manager based on quoted market prices, operating results, balance sheet stability, growth, dividend, dividend yield, and other business and market sector fundamentals.

Fair value for derivative assets and liabilities is primarily determined using techniques consistent with the market approach. Significant observable inputs to valuation models include interest rates, Treasury yields, volatilities, credit spreads, maturities, and recovery rates.

Net Asset Value

Alternative investments, including hedge funds, private equity funds, real estate funds, commodities funds, funds of equity securities, and corporate and foreign government fixed maturities are valued using the net asset value approach to approximate fair value, as determined by an external fund manager based on quoted market prices, operating results, balance sheet stability, growth, and other business and market sector fundamentals.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) at June 30, 2019 (in thousands)				
	Asset-backed Securities	Corporate and Foreign Government Fixed Maturities	Equity Securities	Derivatives	Total
Beginning balance at June 30, 2018	$ 6,081	$ 1,035	$ 1,779	$ (391)	$ 8,504
Actual return on plan assets:					
Net realized gain (loss)	18	(296)	(9)	(131)	(418)
Net unrealized (loss) gain	(102)	1,336	(2,015)	1,579	798
Purchases	14,616	-	1,918	523	17,057
Sales	(508)	(1,018)	(1,443)	(630)	(3,599)
Transfers out of Level 3	(1,962)	-	(216)	-	(2,178)
Ending balance at June 30, 2019	$ 18,143	$ 1,057	$ 14	$ 950	$ 20,164

Note 6 - Pension Plans (Continued)

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) at June 30, 2018 (in thousands)				
	Asset-backed Securities	Corporate and Foreign Government Fixed Maturities	Equity Securities	Derivatives	Total
Beginning balance at June 30, 2017	$ 4,525	$ 932	$ 6,382	$ (203)	$ 11,636
Actual return on plan assets:					
Net realized gain (loss)	78	27	482	8,380	8,967
Net unrealized gain (loss)	562	(499)	685	-	748
Purchases	1,873	1,012	941	31,623	35,449
Sales	(1,256)	(2,057)	(7,929)	(40,191)	(51,433)
Transfers into Level 3	1,234	1,935	1,462	-	4,631
Transfers out of Level 3	(935)	(315)	(244)	-	(1,494)
Ending balance at June 30, 2018	$ 6,081	$ 1,035	$ 1,779	$ (391)	$ 8,504

Cash Flow

Contributions

Employer contributions for the year ended June 30, 2019 are expected to be $0.

Estimated Future Benefit Payments

The benefit payments are expected to be paid as follows:

Years Ending	Pension Benefits
2020	$ 600,000
2021	400,000
2022	400,000
2023	500,000
2024	400,000
Thereafter	1,900,000

Note 7 - Net Assets

Net assets with donor restrictions consist of the following as of June 30, 2019 and 2018:

	2019	2018
Subject to expenditures for a specified purpose:		
Santa Mike program	$ 193,808	$ 262,277
Sister Katie fund	633,860	602,667
Project Hope/Hope Junior programs	110,387	141,465
Program services	90,392	149,350
Dorothy Jiganti fund	858,317	874,617
Infant/Toddler project	485,052	505,435
Systems and other administrative projects	4,510	55,536
Capital improvements	91,050	-
Purpose and time restrictions	50,000	50,000
Total subject to expenditures for a specified purpose	2,517,376	2,641,347
Subject to the passage of time	250,000	500,000
Not subject to appropriation or expenditure	719,712	719,712
Total	$ 3,487,088	$ 3,861,059

Note 8 - Donor-restricted Endowments

The Organization's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of trustees appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of trustees of the Organization had interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments

Note 8 - Donor-restricted Endowments (Continued)

- Other resources of the Organization
- The investment policies of the Organization

	Endowment Net Asset Composition by Type of Fund as of June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 719,712	$ 719,712

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ -	$ 719,712	$ 719,712
Investment return - Investment income	-	19,883	19,883
Appropriation of endowment assets for expenditure	-	(19,883)	(19,883)
Endowment net assets - End of year	$ -	$ 719,712	$ 719,712

	Endowment Net Asset Composition by Type of Fund as of June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 719,712	$ 719,712

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ -	$ 719,712	$ 719,712
Investment return - Investment income	-	42,315	42,315
Appropriation of endowment assets for expenditure	-	(42,315)	(42,315)
Endowment net assets - End of year	$ -	$ 719,712	$ 719,712

Underwater Endowment Funds

As of June 30, 2019 and 2018, there were no funds with deficiencies.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce a moderate return while assuming a minimum average rate of return equal to its annual spending policy rate. The spending policy for 2019 and 2018 was to appropriate 100 percent of the earnings to operations.

Note 8 - Donor-restricted Endowments (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Note 9 - Bonds Payable

In December 2000, the Organization financed the construction of a new facility through donor contributions and tax-exempt bonds. The Organization entered into a loan agreement with the Illinois Department Finance Authority for $29,300,000 of Series 2000A Bonds (the "Series 2000A Bonds"). The bonds are variable-rate revenue bonds, which mature in November 2039, and the remaining principal balance of $28,300,000 will fall due in that month. The Organization entered into an agreement in February 2013 to lock in the fixed rate of 1.875 percent for six years, which expired on February 28, 2019. On March 1, 2019, the Organization entered into an agreement to lock in the fixed rate of 2.45 percent for seven years, expiring on March 3, 2026. The interest expense incurred was $600,133 and $530,625 in 2019 and 2018, respectively. The bonds are guaranteed by the Ascension Health Credit Group. If the Organization defaults on the loan, Ascension Health Credit Group will cover the loan, and there is no required repayment plan by the Organization.

Based on the rates currently in effect for bonds issued by similar issuers with similar terms and average maturities, it is estimated that the fair value of the Series 2000A Bonds as of June 30, 2019 and 2018 was $28,910,714 and $28,248,777, respectively. The debt would have been classified as having Level 2 inputs if it had been included in the fair value table.

Bond issuance costs were incurred on the tax-exempt bonds. The costs have been capitalized and are amortized over the life of the bond. For the years ended June 30, 2019 and 2018, amortization of bond issuance costs reported as a component of interest expense totaled $18,790 and $18,000, respectively.

The outstanding debt balance as of June 30, 2019 and 2018 is $28,177,777 and $28,287,321, respectively, which is composed of the gross debt balance of $28,300,000 less unamortized bond issuance costs of $122,223 and $12,679, respectively.

The loan agreement contains certain nonfinancial covenants, among other things, place limits on certain items, which could cause an adverse change of a material nature in the financial position or results of operations of the Organization.

Note 10 - Line of Credit

On October 14, 2015, the Organization entered into a loan agreement with a bank for a revolving line of credit not to exceed $3,000,000, which was guaranteed by a related party. The line of credit had never been drawn upon since its origin and was terminated by the Organization on April 30, 2019. The interest on the line of credit was 2 percent plus LIBOR.

Note 11 - Donated Facilities and Services

The Organization has two land lease agreements, which are renewed annually with DCM. The first lease charges $10 annually for the land on which St. Vincent de Paul Center (SVDC) resides. The second charges $120,000 annually for the use of the building and the land in and on which Marillac Social Center (Marillac) resides, and the license financial charges have been waived.

Note 11 - Donated Facilities and Services (Continued)

GAAP requires an organization to recognize as revenue the fair value of donated services from individuals and facilities and the corresponding expenses. The amount recognized as in-kind contributions is $258,768 for the SVDC land lease and $1,272,960 related to the Marillac land and building lease for the years ended June 30, 2019 and 2018. The in-kind rent expense is included in in-kind/related party expenses on the consolidated statement of functional expenses.

No amounts have been reflected in the consolidated financial statements for donated services from individuals received by the Organization. Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. The Organization pays for most services requiring specific expertise.

Note 12 - Pledges Receivable

Pledges receivable as of June 30, 2019 and 2018 are expected to be collected in the following periods:

	2019	2018
Pledges receivable:		
Less than one year	$ 158,072	$ 368,515
One to five years	250,000	500,000
Total	$ 408,072	$ 868,515

Note 13 - Concentrations

The Organization receives a substantial portion of its support from the State of Illinois. This support totaled 31 and 30 percent of total revenue for the fiscal years ended June 30, 2019 and 2018, respectively. As of June 30, 2019 and 2018, the Organization has receivables from the Illinois Department of Human Services amounting to $428,714 and $808,549, respectively.

Note 14 - Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use because of contractual, board of trustee designation, or donor-imposed restrictions within one year of the consolidated statement of financial position date:

	2019	2018
Cash and cash equivalents	$ 398,050	$ 202,453
Current receivables	1,621,825	2,100,154
Investments - Aim Alpha Fund	30,653,659	28,513,901
Financial assets - At year end	32,673,534	30,816,508
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	2,767,376	3,141,347
Not subject to appropriation or expenditure - Endowment fund investments held for long-term needs	719,712	719,712
Investments designated by the board of trustees to be held for long-term needs	20,890,742	19,865,848
Financial assets available to meet cash needs for general expenditures within one year	$ 8,295,704	$ 7,089,601

Note 14 - Liquidity and Availability of Resources (Continued)

The Organization has $32,673,534 and $30,816,508 of financial assets at June 30, 2019 and 2018, comprised of cash, current receivables, and investments in AIM Alpha Fund (Notes 2 and 3). A key element of the Organization's liquidity strategy is AIM Alpha Fund's liquidity. The redemption notice period is two days, and the redemption availability is daily. Should the need ever exist, any portion of the AIM Alpha Fund can be converted into cash within two days. This provides an important level of liquidity in the event of an unanticipated liquidity need.

The Organization has a goal to maintain a minimum level of financial assets, which consist of cash and liquid investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately $2.9 million and $2.8 million at June 30, 2019 and 2018, respectively. The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The board of trustees has designated certain unrestricted funds to be held for long-term needs, including capital improvements, future program enhancements, shortfalls from service reimbursements and/or fundraising, and a rainy-day fund for emergencies and other financial needs. Prior to spending these funds, an approval must be obtained from the board of trustees and in certain of these funds approval from DOC. The board reviews this designation on an annual basis. The balance of funds carrying this designation as of June 30, 2019 and 2018 was $20,890,742 and $19,865,848, respectively.

Additional Information

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Independent Auditor's Report on Additional Information

To the Board of Trustees
Marillac St. Vincent Ministries, Inc. and
Marillac St. Vincent Family Services, Inc.

We have audited the consolidated financial statements of Marillac St. Vincent Ministries, Inc. and Marillac St. Vincent Family Services, Inc. as of and for the years ended June 30, 2019 and 2018 and have issued our report thereon dated October 8, 2019, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the 2019 consolidated financial statements as a whole. The consolidating information is presented for the purpose of additional analysis rather than to present the financial position, changes in net assets, and functional expenses of the individual companies 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 2019 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 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 2019 consolidated financial statements as a whole.

Plante & Moran, PLLC

October 8, 2019

Marillac St. Vincent Ministries, Inc. and Marillac St. Vincent Family Services, Inc.

Consolidating Statement of Financial Position

June 30, 2019

	Marillac St. Vincent Family Services, Inc.	Marillac St. Vincent Ministries, Inc.	Eliminating Entries	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 397,050	$ 1,000	$ -	$ 398,050
Receivables:				
Grants receivable	1,344,053	-	-	1,344,053
Pledges receivable	158,072	-	-	158,072
Others	4,142	115,558	-	119,700
Related party receivables	1,052,204	-	(1,052,204)	-
Prepaid expenses	98,928	-	-	98,928
Total current assets	3,054,449	116,558	(1,052,204)	2,118,803
Investments - Noncurrent	9,753,901	20,899,758	-	30,653,659
Pledges Receivables - Noncurrent	250,000	-	-	250,000
Property and Equipment - Net	4,964,092	11,080,637	-	16,044,729
Total assets	**$ 18,022,442**	**$ 32,096,953**	**$ (1,052,204)**	**$ 49,067,191**
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	$ 543,821	$ 52,183	$ -	$ 596,004
Accrued liabilities and other:				
Accrued payroll-related expenses	706,490	-	-	706,490
Other liabilities	67,639	-	-	67,639
Interest payable	-	231,117	-	231,117
Related parties	-	1,052,204	(1,052,204)	-
Total current liabilities	1,317,950	1,335,504	(1,052,204)	1,601,250
Long-term Liabilities - Bonds payable less unamortized bond issuance costs	-	28,177,777	-	28,177,777
Other Long-term Liabilities - Pension benefit obligations	718,086	-	-	718,086
Total liabilities	2,036,036	29,513,281	(1,052,204)	30,497,113
Net Assets				
Net assets without donor restrictions	14,548,841	534,149	-	15,082,990
Net assets with donor restrictions	1,437,565	2,049,523	-	3,487,088
Total net assets	15,986,406	2,583,672	-	18,570,078
Total liabilities and net assets	**$ 18,022,442**	**$ 32,096,953**	**$ (1,052,204)**	**$ 49,067,191**

Marillac St. Vincent Ministries, Inc. and Marillac St. Vincent Family Services, Inc.

Consolidating Statement of Activities and Changes in Net Assets

Year Ended June 30, 2019

	Marillac St. Vincent Family Services, Inc.	Marillac St. Vincent Ministries, Inc.	Eliminating Entries	Total
Changes Net Assets without Donor Restrictions				
Revenue and support				
Contributions	$ 1,088,078	$ -	$ -	$ 1,088,078
In-kind donations - Related party	2,803,060	561,543	(1,530,100)	1,834,503
Contributions - Related party	726,300	300,000	-	1,026,300
Special events	854,309	-	-	854,309
Grants from governmental agencies	9,779,643	-	-	9,779,643
Program service fees	815,895	-	-	815,895
Investment income - Net	290,231	579,646	-	869,877
Space use fees/rental income	586,034	1,530,100	(1,530,100)	586,034
Thrift store sales	59,739	-	-	59,739
Miscellaneous	48,801	-	-	48,801
Total revenue and support	17,052,090	2,971,289	(3,060,200)	16,963,179
Net assets released from restrictions	1,555,605	-	-	1,555,605
Total revenue, support, and net assets released from restrictions	18,607,695	2,971,289	(3,060,200)	18,518,784
Expenses:				
Program services	15,080,632	3,178,542	(3,060,200)	15,198,974
Support services:				
Management and general	1,315,910	4,961	-	1,320,871
Fundraising	940,464	12,030	-	952,494
Total expenses	17,337,006	3,195,533	(3,060,200)	17,472,339
Increase (Decrease) in Net Assets without Donor Restrictions - Before pension-related changes other than net periodic pension expense	1,270,689	(224,244)	-	1,046,445
Pension-related Changes Other Than Net Periodic Pension Expense	(552,736)	-	-	(552,736)
Increase (Decrease) in Net Assets without Donor Restrictions	717,953	(224,244)	-	493,709
Changes in Net Assets with Donor Restrictions	(373,971)	-	-	(373,971)
Increase (Decrease) in Net Assets	343,982	(224,244)	-	119,738
Net Assets - Beginning of year	15,642,424	2,807,916	-	18,450,340
Net Assets - End of year	**$ 15,986,406**	**$ 2,583,672**	**$ -**	**$ 18,570,078**

Marillac St. Vincent Ministries, Inc. and Marillac St. Vincent Family Services, Inc.

Consolidating Statement of Functional Expenses

Year Ended June 30, 2019

	Marillac St. Vincent Family Services, Inc.				Marillac St. Vincent Ministries, Inc.					Total			
	Program Services	Management and General	Fundraising	Subtotal	Program Services	Management and General	Fundraising	Subtotal	Eliminations	Program Services	Management and General	Fundraising	Total
Salaries, wages, and stipends	$ 8,067,225	$ 929,018	$ 422,119	$ 9,418,362	$ -	$ -	$ -	$ -	$ -	$ 8,067,225	$ 929,018	$ 422,119	$ 9,418,362
Employee benefits	1,491,520	67,230	79,108	1,637,858	-	-	-	-	-	1,491,520	67,230	79,108	$ 1,637,858
Pension periodic benefit	(138,063)	(9,078)	(6,318)	(153,459)	-	-	-	-	-	(138,063)	(9,078)	(6,318)	(153,459)
Total salaries and related expenses	9,420,682	987,170	494,909	10,902,761	-	-	-	-	-	9,420,682	987,170	494,909	10,902,761
Professional fees	84,994	130,300	10,607	225,901	-	-	-	-	-	84,994	130,300	10,607	225,901
Occupancy	1,330,916	46,783	20,293	1,397,992		-	-	-	-	1,330,916	46,783	20,293	1,397,992
In-kind/Related party expenses	2,719,475	24,407	59,178	2,803,060	1,771,877	4,961	12,030	1,788,868	(3,060,200)	1,431,152	29,368	71,208	1,531,728
Direct client	924,192	26,134	14,259	964,585	-	-	-	-	-	924,192	26,134	14,259	964,585
Communication and technology	101,924	69,262	44,560	215,746	-	-	-	-	-	101,924	69,262	44,560	215,746
Depreciation and amortization	443,652	5,117	3,155	451,924	761,040	-	-	761,040	-	1,204,692	5,117	3,155	1,212,964
Supplies and other	54,797	26,737	27,048	108,582	45,292	-	-	45,292	-	100,089	26,737	27,048	153,874
Interest expense and fees	-	-	-	-	600,333	-	-	600,333	-	600,333	-	-	600,333
Direct special event expense	-	-	266,455	266,455	-	-	-	-	-	-	-	266,455	266,455
Total functional expenses	**$ 15,080,632**	**$ 1,315,910**	**$ 940,464**	**$ 17,337,006**	**$ 3,178,542**	**$ 4,961**	**$ 12,030**	**$ 3,195,533**	**$ (3,060,200)**	**$ 15,198,974**	**$ 1,320,871**	**$ 952,494**	**$ 17,472,339**