

**SOCIETY OF ST. VINCENT DE PAUL,
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

**SOCIETY OF ST. VINCENT DE PAUL,
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Society of St. Vincent de Paul, Particular Council of San Mateo County Incorporated
San Mateo, California

Opinion

We have audited the accompanying financial statements of the Society of St. Vincent de Paul, Particular Council of San Mateo County Incorporated (the Society) (a California nonprofit corporation), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Society of St. Vincent de Paul, Particular Council of San Mateo County Incorporated as of September 30, 2025 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the Society of St. Vincent de Paul, Particular Council of San Mateo County Incorporated as of September 30, 2024 were audited by other auditors whose report dated April 11, 2025 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Petrinovich Pugh & Company, LLP

San Jose, California
February 17, 2026

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2025 AND 2024

<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Current assets:		
Cash and cash equivalents	\$ 692,063	\$ 732,035
Investments	8,779,330	8,842,589
Grants receivable, current portion	100,000	215,000
Other current assets	<u>53,589</u>	<u>82,979</u>
Total current assets	9,624,982	9,872,603
Grants receivable, less current portion	50,000	-
Property and equipment, net	1,351,885	3,640,015
Investments restricted for endowment	<u>3,980,351</u>	<u>3,774,479</u>
Total assets	<u>\$ 15,007,218</u>	<u>\$ 17,287,097</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 34,364	\$ 46,746
Accrued expenses	115,199	136,601
Deferred contribution revenue, current portion	<u>-</u>	<u>114,825</u>
Total current liabilities	149,563	298,172
Deferred contribution revenue, less current portion	<u>-</u>	<u>2,028,563</u>
Total liabilities	149,563	2,326,735
Net assets:		
Net assets without donor restrictions:		
Designated by the Board of Directors	7,069,495	7,038,541
Undesignated	<u>3,245,477</u>	<u>3,429,235</u>
Total net assets without donor restrictions	10,314,972	10,467,776
Net assets with donor restrictions	<u>4,542,683</u>	<u>4,492,586</u>
Total net assets	<u>14,857,655</u>	<u>14,960,362</u>
	<u>\$ 15,007,218</u>	<u>\$ 17,287,097</u>

See accompanying independent auditors' report and notes to financial statements.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
Revenue and support:			
Donations and grants	\$ 1,189,834	\$ 881,602	\$ 2,071,436
Special events revenue	285,453	-	285,453
Store sales	641,024	-	641,024
Trust income	207,850	-	207,850
Contributed nonfinancial assets	2,298,143	-	2,298,143
Free distribution from stores	219,715	-	219,715
Investment returns, net	1,030,658	205,872	1,236,530
Net assets released from restrictions	1,037,377	(1,037,377)	-
Other income	96,502	-	96,502
Total revenue and support	<u>7,006,556</u>	<u>50,097</u>	<u>7,056,653</u>
 Expenses:			
Program services:			
Safety net assistance	4,575,581	-	4,575,581
Stores	1,098,561	-	1,098,561
Restorative justice ministry	443,469	-	443,469
 Support services:			
Management and general	615,301	-	615,301
Fundraising	426,448	-	426,448
Total expenses	<u>7,159,360</u>	<u>-</u>	<u>7,159,360</u>
 Change in net assets	(152,804)	50,097	(102,707)
 Net assets, beginning of year	<u>10,467,776</u>	<u>4,492,586</u>	<u>14,960,362</u>
Net assets, end of year	<u>\$ 10,314,972</u>	<u>\$ 4,542,683</u>	<u>\$ 14,857,655</u>

See accompanying independent auditors' report and notes to financial statements.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Donations and grants	\$ 1,048,020	\$ 940,400	\$ 1,988,420
Special events revenue	261,420	-	261,420
Store sales	630,634	-	630,634
Trust income	110,000	-	110,000
Contributed nonfinancial assets	2,195,132	-	2,195,132
Free distribution from stores	229,706	-	229,706
Investment returns, net	1,749,347	750,971	2,500,318
Net assets released from restrictions	1,625,830	(1,625,830)	-
Other income	75,428	-	75,428
Total revenue and support	7,925,517	65,541	7,991,058
Expenses:			
Program services:			
Safety net assistance	4,471,868	-	4,471,868
Stores	1,025,341	-	1,025,341
Restorative justice ministry	616,872	-	616,872
Support services:			
Management and general	824,566	-	824,566
Fundraising	414,117	-	414,117
Total expenses	7,352,764	-	7,352,764
Change in net assets	572,753	65,541	638,294
Net assets, beginning of year	9,895,023	4,427,045	14,322,068
Net assets, end of year	\$ 10,467,776	\$ 4,492,586	\$ 14,960,362

See accompanying independent auditors' report and notes to financial statements.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Program Services			Support Services		Total
	Safety Net Assistance	Stores	Restorative Justice Ministry	Management and General	Fundraising	
Personnel expenses						
Salaries	\$ 402,595	\$ 522,990	\$ 242,095	\$ 256,238	\$ 255,386	\$ 1,679,304
Payroll taxes	30,136	41,188	18,530	18,498	19,627	127,979
Employee benefits	66,250	104,732	20,563	7,619	33,633	232,797
Total personnel expenses	498,981	668,910	281,188	282,355	308,646	2,040,080
Direct assistance	1,622,404	-	419	-	-	1,622,823
Free distribution from stores	3,094	220,864	-	-	-	223,958
In-kind expenses	2,254,826	-	-	-	4,449	2,259,275
Advertising and public relations	-	288	-	1,570	3,006	4,864
Building maintenance	16,112	23,671	18,669	29,543	993	88,988
Depreciation and amortization	25,918	22,096	37,188	24,732	-	109,934
Donations	216	-	-	-	-	216
Dues, extension and renewal	2,397	-	-	55	216	2,668
Events	7,443	-	-	-	45,853	53,296
Insurance	18,937	48,855	25,220	50,499	2,767	146,278
Licenses and fees	12,819	10,785	600	25,483	17,614	67,301
Other	1,614	947	20,000	1,445	-	24,006
Payroll service	12,325	14,646	5,058	6,907	3,175	42,111
Printing, postage and supplies	67,104	5,727	7,665	9,172	14,310	103,978
Professional fees	-	-	13,374	158,437	21,091	192,902
Property taxes	3,538	5,825	5,106	1,644	-	16,113
Rent	277	39,627	-	-	-	39,904
Telephone	7,736	4,875	14,897	12,357	937	40,802
Travel and meetings	1,456	609	273	5,787	1,399	9,524
Utilities	10,141	30,662	13,528	4,623	1,992	60,946
Vehicle	8,243	174	284	692	-	9,393
	<u>\$ 4,575,581</u>	<u>\$ 1,098,561</u>	<u>\$ 443,469</u>	<u>\$ 615,301</u>	<u>\$ 426,448</u>	<u>\$ 7,159,360</u>
Percentage of total expenses	<u>63.91%</u>	<u>15.34%</u>	<u>6.19%</u>	<u>8.59%</u>	<u>5.96%</u>	<u>100.00%</u>

See accompanying independent auditors' report and notes to financial statements.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Program Services			Support Services		Total
	Safety Net Assistance	Stores	Restorative Justice Ministry	Management and General	Fundraising	
Personnel expenses						
Salaries	\$ 324,065	\$ 457,532	\$ 264,069	\$ 393,675	\$ 263,336	\$ 1,702,677
Payroll taxes	25,794	37,224	20,695	29,098	20,905	133,716
Employee benefits	58,055	98,954	29,330	40,943	44,685	271,967
Total personnel expenses	407,914	593,710	314,094	463,716	328,926	2,108,360
Direct assistance	1,697,561	-	4,590	-	-	1,702,151
Free distribution from stores	-	219,691	-	-	-	219,691
In-kind expenses	2,156,264	-	-	-	-	2,156,264
Advertising and public relations	-	2,160	-	-	-	2,160
Building maintenance	15,741	11,642	23,046	70,947	1,710	123,086
Depreciation and amortization	28,752	22,263	126,472	23,961	-	201,448
Donations	15,178	-	-	-	50	15,228
Events	-	-	294	17	34,188	34,499
Insurance	20,469	62,748	71,346	36,295	2,386	193,244
Licenses and fees	5,089	10,777	6,952	5,095	25,236	53,149
Other	71,535	-	-	-	-	71,535
Payroll service	10,300	11,841	6,397	8,035	2,677	39,250
Printing, postage and supplies	1,725	7,922	1,142	13,801	14,451	39,041
Professional fees	-	-	-	159,105	-	159,105
Property taxes	1,613	1,611	11,945	299	199	15,667
Rent	-	38,868	-	-	-	38,868
Telephone	7,646	4,365	12,726	29,775	1,930	56,442
Travel and meetings	1,914	477	5	8,249	-	10,645
Utilities	18,328	37,266	37,212	3,558	2,360	98,724
Vehicle	11,839	-	651	1,713	4	14,207
	<u>\$ 4,471,868</u>	<u>\$ 1,025,341</u>	<u>\$ 616,872</u>	<u>\$ 824,566</u>	<u>\$ 414,117</u>	<u>\$ 7,352,764</u>
Percentage of total expenses	<u>60.82%</u>	<u>13.94%</u>	<u>8.39%</u>	<u>11.21%</u>	<u>5.63%</u>	<u>100.00%</u>

See accompanying independent auditors' report and notes to financial statements.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ (102,707)	\$ 638,294
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Amortization of deferred contribution revenue	(33,954)	(114,825)
Depreciation and amortization	109,934	201,448
Net realized and unrealized gain on investments	(492,920)	(2,078,508)
Contribution of securities	-	(110,089)
(Gain) loss on disposal of property and equipment	(821)	30,786
Changes in operating assets and liabilities:		
Pledge receivable	65,000	346,500
Other current assets	29,390	(19,455)
Accounts payable	(12,382)	41,911
Accrued expenses	(21,402)	-
Net cash used for operating activities	(459,862)	(1,063,938)
 Cash flows from investing activities:		
Proceeds from sale of investments	4,333,284	9,359,276
Purchases of investments	(3,982,977)	(8,545,448)
Reinvested investment income	-	(19,232)
Proceeds from the sale of property and equipment	124,968	-
Purchases of property and equipment	(55,385)	(19,135)
Net cash provided by investing activities	419,890	775,461
 Net decrease in cash and cash equivalents	(39,972)	(288,477)
 Cash and cash equivalents, beginning of year	732,035	1,020,512
Cash and cash equivalents, end of year	\$ 692,063	\$ 732,035

See accompanying independent auditors' report and notes to financial statements.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

Supplemental disclosures of non-cash activities:

During the year ended September 30, 2025, the Society disposed of property and equipment with an original cost of \$184,800 and accumulated depreciation of \$60,653 for a proceed of \$124,968 resulting in a gain on disposal of \$821, which is included in other income on the statement of activities.

During the year ended September 30, 2025, the Society returned property and equipment with an original cost of \$3,444,738 and accumulated depreciation of \$1,335,304, resulting in a decrease in deferred contribution revenue of \$2,109,434 (see Note G).

See accompanying independent auditors' report and notes to financial statements.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE A – ORGANIZATION

The Society of St. Vincent de Paul, Particular Council of San Mateo County Incorporated (the Society) is incorporated in the State of California. The Society is a part of the Society of St. Vincent de Paul, an international Catholic charity. The Society provides safety net services to over 13,000 unduplicated adults and children throughout San Mateo County, California.

The Society's mission statement is: "In the spirit of love and justice, the Society of St. Vincent de Paul, Particular Council of San Mateo County Incorporated provides person-to-person services of time, talent and resources to help our neighbors in need." Led by Christian values, Vincentians (volunteers) believe in the dignity of every person and offer compassionate help to individuals based on verified need. Since 1931, the Society has focused its care on marginalized families and individuals in emergency circumstances in San Mateo County.

The Society provides basic survival necessities and distributes critical financial support and resources to honor the dignity of each distinct individual served. Safety net assistance, through homelessness prevention and services to the homeless, is the Society's primary focus to help eliminate suffering. The Society also provides employment for the marginalized, assists victims of crime, ministers to the incarcerated, and provides housing and support services to women continuing their recovering from addiction at the Society's Sober Living Home, Rosalie House. Organized into 34 small working groups called conferences, over 1,000 volunteers serve every part of San Mateo County. Aid is given regardless of age, gender, race or creed. The Society's main office manages administrative and program support.

NOTE B – PROGRAM SERVICES

The Society operates a number of programs to serve their mission:

Safety Net Assistance: \$3,900,000 in safety net assistance is provided through the Society's Peninsula Family Resource Center (PFRC) and The Society's Homeless Help Centers (HHCs).

PFRC is a homelessness prevention program providing \$550,000 in rent and utility payments, over \$2,000,000 in food, and over \$200,000 in other nonfinancial assistance. These services are delivered to over 5,000 households, throughout San Mateo County, through personal home visits made by Vincentian volunteers. Calls for assistance are primarily received through a central helpline and from referrals from collaborating county service agencies.

HHCs are strategically located in South San Francisco and San Mateo. These centers offer basic survival necessities to 1,100 unhoused individuals, providing over 600,000 hot meals and bag lunches annually. HHCs also provide clothing vouchers, sleeping bags, bus tokens, mail service, and referrals to shelters.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE B – PROGRAM SERVICES (CONTINUED)

Stores: The Society's thrift stores located in South San Francisco, San Mateo, and Menlo Park offer quality donated goods at low prices to the public or free to those in need. The three thrift stores provide employment and job training for the most marginalized. Merchandise donations are accepted at two of the thrift store locations. Vouchers are given through PFRC home visits and HHCs to provide people with free clothes and basic furnishings at no charge. The Society's thrift stores also support a recycling program of clothing and other materials for the benefit of the community.

Restorative Justice Ministry: The Society's Restorative Justice Chaplain and volunteers offer pastoral care to incarcerated men, women, and youth.

The Society's Rosalie House is a transitional sober living home for women who have completed drug or alcohol treatment. The purpose of the one-year program is to provide women with a safe place for recovery, so they can focus on their faith and transformation. As of September 30, 2025, the program is not yet open. The program will start enrolling residents during fiscal year 2026.

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the Society have been prepared in accordance with the accounting principles generally accepted in the United States of America (GAAP), which requires the Society to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions: Net assets without donor restrictions consist of net assets for which there are no donor-imposed restrictions, or such donor-imposed restrictions were temporary in nature and expired during the current or previous years. Net assets without donor restrictions include those expendable funds that are available for support of the Society's operations, including board-designated funds.

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. As of September 30, 2025 and 2024, net assets with donor restrictions totaled \$4,542,683 and \$4,492,586, respectively.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Society's estimates include allowance for credit losses, functional expense allocations and useful lives of property and equipment.

Revenue Recognition: The Society accounts for store revenues under Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). The core principle of the guidance is that the Society should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Society expects to be entitled in exchange for those goods or services. In addition, the guidance requires the disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The most significant aspects of the standard include the following:

- Topic 606 provides a five-step model for recognizing revenue from contracts with customers as follows:
 1. Identify the contract with the customer.
 2. Identify the performance obligations in the contract.
 3. Determine the transaction price.
 4. Allocate the transaction price to the performance obligations in the contract.
 5. Recognize revenue when or as the performance obligations are satisfied.
- Products and Services: The Society's revenue for which Topic 606 applies is derived from retail sales. The operations of the Society are substantially affected by economic conditions and can be impacted by customer preferences and disposable income levels.
- Performance Obligations: Topic 606 provides that revenues are to be recognized when the control of promised goods or services are transferred to a customer in satisfaction of all related performance obligations, in an amount that reflects the considerations expected to be received for those goods or services. The Society's contracts are considered to have a single performance obligation. Customers typically have no right to return or refund goods and services.
- Merchandise Sales: Merchandise sales are recognized when the goods are transferred to the customer.
- Transaction Price: The Society's prices are based upon a fixed transaction price, which is the amount the Society expects to collect for the agreed upon services rendered. Revenue is recorded based on the fixed transaction price.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued):

- Payment Terms: Payment terms with customers are typically due upon the date the transaction is established. In instances where the timing of the revenue recognition differs from the timing of the right to invoice, the Society has determined that a significant financing component does not exist. The Society has elected a permitted practical expedient which allows the Society to not recognize a significant financing component if the time between the transfer of a good or service and payment is one year or less.
- Contract Assets and Liabilities: The Society records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. The Society recognizes contract assets when services have been performed but the right to invoice has not yet been established. Contract liabilities consist of amounts received in advance. As of October 1, 2023, the Society had contract liabilities related to a donated building (see Note G).

Donations and Grants: Revenues from donations and grants are reported in accordance with ASC 958, Not-for-Profit Entities. The Society further follows FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Under ASU 2018-08, donations and grants are recognized as “contributions” instead of “exchange transactions”. Donations and grants revenue receive a condition from the granting body and are recognized as revenue in the period in which the condition is provided, which is when the Society’s performance obligation is satisfied.

Contributions: Contributions are reported in accordance with ASC 958. Contributions are recognized when the donor makes a pledge to give that is, in substance, an unconditional promise. Contributions are recorded as with or without donor restrictions depending on the nature of donor restrictions and depending on whether the restrictions are met in the current fiscal period. Contributions with restrictions are reported as increases in net assets without donor restrictions if the restrictions have been met in the current fiscal period. If the restriction has not been met by fiscal year end, the amount is reported as an increase in net assets with donor restrictions. When the restriction is met on a contribution received in a prior fiscal period, the amount is shown as a reclassification of net assets with donor restrictions to net assets without donor restrictions.

Trust Income: The Society is a co-beneficiary of two testamentary trusts created under the will of Edna Palmuth and under the McKeever Family Trust, which are administrated by financial institutions. The beneficiaries share equally in the income of the trusts, which is recorded when received. Income from the trusts is classified as net assets without donor restrictions.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions of Nonfinancial Assets: Contributions of nonfinancial assets recognized during the years ended September 30, consisted of the following:

	<u>2025</u> Revenue Recognized	<u>2024</u> Revenue Recognized	Utilization in program	Donor restrictions	Valuation techniques and inputs
Food	\$ 1,994,262	\$ 1,791,240	Safety net assistance	No associated donor restriction	Valuation of foods is based on fair value it would cost to purchase a similar product.
Rent	38,868	38,868	All programs	No associated donor restriction	Valuation of the rent is based on estimated fair market value of rent in the surrounding area's real estate market.
Other	265,013	365,024	All programs	No associated donor restriction	Valuation of other goods and services are based on fair value it would cost to purchase a similar product or service.
Total	<u>\$ 2,298,143</u>	<u>\$ 2,195,132</u>			

The Society also receives significant amounts of donated time from volunteers that contribute significantly to its mission, but do not meet the criteria for recognition as donated services. Accordingly, the value of this valuable contributed time is not reflected in the financial statements.

Unconditional Promises to Give: The Society recognizes unconditional promises to give as revenue in the period in which the donors give oral or written promises. The Society considers its promises to give to be fully collectible within one year. During the years ended September 30, 2025 and 2024, the Society did not receive any unconditional promises to give.

Cash and Cash Equivalents: For purposes of the statements of financial position and cash flows, the Society considers all highly liquid instruments with an original maturity of ninety days or less to be cash equivalents.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments: The financial statements are prepared in accordance with ASC 958-320, *Accounting for Certain Investments Held by Not-for-Profit Entities*. Under ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in investment return in the statements of activities.

Grants Receivable and Allowance for Credit Losses: Grants receivable are stated at their estimated collectible amounts and primarily consist of grant promises. Credit risk is mitigated by periodic review of delinquent accounts, including specific collection issues, and an allowance for credit losses is maintained based on historical experience adjusted for current conditions and reasonable forecasts considering geographical and industry-specific economic factors. As of September 30, 2025 and 2024, there were no provisions for credit losses related to accounts deemed uncollectible or write-offs to the allowance for credit losses.

Property and Equipment: Property and equipment are stated at cost and depreciated over the estimated useful lives ranging between three and thirty-five years using the straight-line method. Major repairs or replacements of property and equipment are capitalized. Maintenance, repairs and minor replacements are charged to expense as incurred.

Right of Use Assets and Leases: The Society evaluates all contracts at inception, to determine whether the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of the identified asset for a period of time, in exchange for consideration. The Society recognizes a right of use asset and liability, for all leases with lease terms over 12 months, at the lease commencement date and determines whether the right of use asset qualifies as a financing or operating right of use asset. Finance lease right of use assets will be included within property and equipment and operating lease right of use assets are included within other assets on the statements of financial position. The right of use asset and liability, including any initial direct costs and non-lease components, is recognized at the present value of lease payments over the lease term using either the implicit rate in the lease, the incremental borrowing rate or the risk-free rate of return as allowed by ASC 842. Right of use assets are amortized over the term of the lease or the estimated useful life. Amortization is reported in depreciation expense for finance leases and lease expense for operating leases. The Society does not have any finance lease right of use assets as of September 30, 2025 and 2024.

Impairment of Long-Lived Assets: The Society accounts for impairment of assets in accordance with ASC 360-10, *Property, Plant, and Equipment*, which requires the Society to review long-lived assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable based on the undiscounted future cash flows of the asset. If the carrying amount of the asset is determined not to be recoverable, a write-down to fair value is recorded. The Society believes the carrying amount of its long-lived assets are recoverable during the years ended September 30, 2025 and 2024.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of Functional Expenses: The costs of providing the Society's programs and services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated based on the related program or service benefited. Personnel expenses are allocated to programs and support services based on the percentage of personnel time spent in each area and are allocated directly based on their department, except for one member of management who is allocated based on estimated time spent in multiple departments. Building maintenance, depreciation and amortization, insurance, utilities, and property taxes are allocated indirectly by square footage. Licenses and fees, printing, postage, supplies, and telephone are allocated indirectly by headcount. The remaining natural expenses are directly expensed to the department based on the activity associated with the expense.

Advertising: Advertising costs are expensed as incurred and totaled approximately \$5,000 and \$2,000 for the years ended September 30, 2025 and 2024, respectively.

Income Taxes: The Society is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and State of California Revenue and Taxation Code 23701(d). Accordingly, no provision for income taxes has been provided for in the financial statements.

The Society accounts for the requirements associated with uncertainty in income taxes using the provisions of FASB 740-10-25, *Recognition of Income Taxes*. Accordingly, an entity shall initially recognize the financial statement effects of a tax position when it is more-likely than not, based on the technical merits, that the position will be sustained upon examination. It also provides guidance for derecognition, classification, interest and penalties accounting in interim periods, disclosure and transaction. As of September 30, 2025 and 2024, the Society has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Society files tax returns in the U.S. federal jurisdiction and state of California. The Society's federal tax returns for the tax years 2021 and forward remain subject to examination by the Internal Revenue Service. The Society's California income tax returns for the years 2020 and forward remain subject to examination by the California Franchise Tax Board.

Concentration of Credit Risk: Financial instruments and transactions which may potentially subject the Society to concentrations of credit risk consist principally of cash. The majority of the Society's cash is held with financial institutions. Risk associated with the cash is mitigated by maintaining deposits with credit worthy financial institution.

**SOCIETY OF ST. VINCENT DE PAUL
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NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements: ASC 820-10, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10 are described as follows:

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

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- correlation or other means.

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

- Investments: Consist of equity and fixed income securities and are valued based on quoted prices in active markets for identical assets.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Society believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE C – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (continued):

- Investments (continued):

The following table sets forth by level, within the fair value hierarchy, the Society's assets at fair value as of September 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange traded funds	\$ 8,697,865	\$ -	\$ -	\$ 8,697,865
Fixed income corporate bonds	-	3,640,829	-	3,640,829
Mutual funds	420,987	-	-	420,987
Total	<u>\$ 9,118,852</u>	<u>\$ 3,640,829</u>	<u>\$ -</u>	<u>\$ 12,759,681</u>

The following table sets forth by level, within the fair value hierarchy, the Society's assets at fair value as of September 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange traded funds	\$ 8,839,308	\$ -	\$ -	\$ 8,839,308
Fixed income corporate bonds	-	2,623,419	-	2,623,419
Mutual funds	1,154,341	-	-	1,154,341
Total	<u>\$ 9,993,649</u>	<u>\$ 2,623,419</u>	<u>\$ -</u>	<u>\$ 12,617,068</u>

Reclassifications: Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

Subsequent Events: ASC 855-10, Subsequent Events, requires additional disclosure for event or transactions that occur after the statement of financial position date. The Society had no significant subsequent events as of February 17, 2025, which is the date the statements were available to be issued.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE D – AVAILABILITY AND LIQUIDITY

Assets available to meet cash needs for general expenditures within one year of the statements of financial position date as of September 30, consist of the following:

	2025	2024
Cash and cash equivalents	\$ 692,063	\$ 732,035
Grants receivable	150,000	215,000
Investments	12,759,681	12,617,068
Financial assets available to meet general expenditures	13,601,744	13,564,103
Less amounts not available to be used within one year		
Grants receivable, less current portion	(50,000)	-
Donor restricted investments (Note J)	(3,980,351)	(4,492,585)
Board designated assets (Note I)	(7,069,495)	(7,038,541)
Financial assets available to meet general expenditures within one year	\$ 2,501,898	\$ 2,032,977

Management monitors liquidity and availability of the Society’s resources on an ongoing basis to ensure adherence to donor restrictions, contractual commitments and legal requirements for use of funds. The Society has certain net assets restricted by donors that are not available for general operations. Accordingly, these assets with donor restrictions have been included above as unavailable for general expenditure within one year.

The Board of Directors (the Board) has designated net assets for specific purposes (Note I), which are not available for general expenditure in the year ended September 30, 2025 and 2024. The Board, in its discretion, may make these or a portion of these net assets available for general operation in the future should the need arise. The Board intends to use the funds to support future programs and facility expansion, unless otherwise needed to meet its general expenditures. The Board will regularly review Board designations and adjust the amount to be designated based on returns on investments. The Board’s plan is to have funds available to meet general expenditures for three months which is approximately \$1,200,000.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE E – INVESTMENTS

Investments held at September 30, are summarized as follows:

	<u>2025</u>	<u>2024</u>
Equity securities	\$ 8,697,865	\$ 8,839,308
Fixed income securities	3,640,829	2,623,419
Mutual funds	<u>420,987</u>	<u>1,154,341</u>
Total investments	<u>\$ 12,759,681</u>	<u>\$ 12,617,068</u>

These investments contain restricted and unrestricted amounts. Unrestricted investments include amounts that are board-designated amounts set aside to be used at the Board's discretion (see Note I). The following schedule summarizes the investment activity during the years ended September 30:

	<u>2025</u>	<u>2024</u>
Investments, beginning of year	\$ 12,617,068	\$ 11,223,067
Investment return:		
Interest and dividend income	352,595	383,459
Net realized and unrealized gain	<u>883,935</u>	<u>2,116,859</u>
Net investment return	1,236,530	2,500,318
Transfer to operations	(880,545)	(1,106,317)
Transfer from donor restricted investments	(175,000)	-
Administrative expenses	<u>(38,372)</u>	<u>-</u>
Investments, end of year	<u>\$ 12,759,681</u>	<u>\$ 12,617,068</u>

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment as of September 30, consist of the following:

	2025	2024
Buildings	\$ 2,112,411	\$ 5,659,382
Land	487,290	487,290
Furniture and equipment	177,698	186,837
Vehicles	42,678	60,731
Building improvements	188,663	188,663
Total property and equipment	3,008,740	6,582,903
 Less accumulated depreciation	 (1,656,855)	 (2,942,888)
	\$ 1,351,885	\$ 3,640,015

NOTE G – CONTRACT LIABILITIES

In May 2013, the Society received a gift of a building located in Menlo Park, California. While the Society received full title to the property, there was a donor-imposed restriction on the grant deed requiring the Society to use the property only for the programs and activities of the Restorative Justice Ministry. The donor was given the right to reclaim title to the building should the program be terminated. The transfer is subject to a power of termination vested in the donor to enforce the use restriction on the property.

Management determined the fair value of the property to be \$3,444,738 at the date of donation. As the building contributed to be used for its stated purpose at December 31, 2013, the Society has included the building in property and equipment and has recorded deferred contribution revenue in the statement of financial position to recognize the donor-imposed restriction on the building's use. The deferred contribution revenue is being recognized as revenue over the 30-year period, with \$33,954 and \$114,825 recognized in the years ended September 30, 2025 and 2024, respectively.

In January 2025, the Society discontinued its Restorative Justice Ministry in Menlo Park, California. As such, the donor exercised the right to reclaim the building, and an agreement was reached to reimburse to the Society certain capital improvements and the residual value of a vehicle totaling \$121,798. In 2025, the Society recorded a reduction in net property and equipment of \$2,222,884 and reduce deferred contribution revenue in the amount of \$2,143,388 comprising of \$33,954 of amortization and the removal of the remaining \$2,109,434 on January 31, 2025. A net gain of \$8,348 was recorded to other income.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE H – CONTINGENCIES

The Society is a party to certain claims in the normal course of business. At the time of the financial statements, the results of these claims cannot be predicted with any certainty and no adjustments have been made on the Society's statements of financial positions and statements of activities as of September 30, 2025 and 2024.

NOTE I – BOARD DESIGNATED NET ASSETS

Certain net assets have been designated by the Society's Board for the following purposes at September 30:

	2025	2024
Strategic plan reserve	\$ 6,500,000	\$ 6,500,000
Conferences	569,495	538,541
	\$ 7,069,495	\$ 7,038,541

Unused funds collected by conference at September 30, 2025 have been designated by the Board as available to fund the program services of the individual conferences in the year ended September 30, 2025.

NOTE J – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of funds with the following purpose or time restrictions at September 30:

	2025	2024
Safety net assistance	\$ 128,913	\$ 158,270
The Society's Catherine Center	-	146,877
Property improvements	120,760	176,146
Rosetta C. Miller Fund	19,463	23,701
Restricted for future periods	293,196	213,112
Endowment funds	3,980,351	3,774,480
	\$ 4,542,683	\$ 4,492,586

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE K – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets, originally restricted by donors, were released as they were expended in accordance with donor restrictions or with the passage of time as follows during the years ended September 30:

	2025	2024
Safety net assistance	\$ 359,353	\$ 652,982
The Society's Catherine Center	187,028	534,743
Property improvements	55,385	135,584
Rosetta C. Miller Fund	4,400	4,400
Restricted for future periods	244,916	32,763
Endowment funds	186,295	265,358
	\$ 1,037,377	\$ 1,625,830

NOTE L – ENDOWMENT FUNDS

The Society's endowments consists of investments in common stocks and corporate bonds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, also referred to as quasi-endowments, are classified and reported based on the existence or absence of donor-imposed or board-designated restrictions.

Interpretation of Relevant Law: The Board of the Society has interpreted the Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Society would classify as net assets with donor restriction (a) the original value of gifts donated to a permanent endowment, (b) the original value of subsequent gifts to a permanent endowment, and (c) accumulations to a permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds. The remaining portion of any donor-restricted endowment funds that is not classified permanently restricted would be classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Society in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act.

**SOCIETY OF ST. VINCENT DE PAUL
PARTICULAR COUNCIL OF SAN MATEO COUNTY INCORPORATED**

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE L – ENDOWMENT FUNDS (CONTINUED)

Interpretation of Relevant Law (continued): In accordance with SPMIFA, the Society would consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds should the Society accept these types of funds:

- The duration and preservation of the funds
- The purposes of the Society and the donor-restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Society
- The investment policies of the Society

The Society has adopted investment and spending policies, approved by the Board, 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. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, that exceeds the annual distribution with acceptable levels of risk.

Endowment assets are invested in equity securities and fixed income corporate bonds pursuant to the Society's investment policy.

The Society has a policy of appropriating for distribution each year no more than 7% of the average fair value of endowment assets restricted in perpetuity over the prior 20 quarters ending June 30 preceding the fiscal year in which the distribution is planned. In establishing this policy, the Society considers the long-term expected return on its investment assets and the nature and duration of the individual endowment funds and relies on a total return strategy in which investment returns are achieved through both realized and unrealized capital appreciation and current yield, such as interest and dividends.

From time to time, the fair value of assets associated with individual endowment assets with donor restrictions may fall below the level that the donor or SPMIFA requires the Society to retain as a fund of perpetual duration. No endowments were under corpus at September 30, 2025 and 2024.

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NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

NOTE L – ENDOWMENT FUNDS (CONTINUED)

Changes in Endowment Funds: The changes in the endowment funds for the years ended September 30, are as follows:

	2025	2024
Endowment fund, beginning of year	\$ 3,774,479	\$ 3,159,092
Investment return:		
Investment income	97,080	99,968
Net realized and unrealized gain	295,087	651,003
Total investment return	392,167	750,971
Appropriation of endowment assets for expenditure:		
Transfer to operating fund	(175,000)	(135,584)
Investment expense	(11,295)	-
Endowment fund, end of year	\$ 3,980,351	\$ 3,774,479