

St. Joseph's Villa

Consolidated Financial Statements

June 30, 2022 and 2021



4401 Dominion Boulevard
Glen Allen, Virginia 23060
Tel: 804.747.0000
www.keitercpa.com

INTENTIONALLY LEFT BLANK

ST. JOSEPH'S VILLA

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	6
Consolidated Statements of Functional Expenses	8
Consolidated Statements of Cash Flows	12
Notes to Consolidated Financial Statements	14
Supplemental Information:	
Consolidating Schedules - June 30, 2022:	
Consolidating Statement of Financial Position	26
Consolidating Statement of Activities	28
Consolidating Statement of Functional Expenses	30
Consolidating Schedules - June 30, 2021:	
Consolidating Statement of Financial Position	32
Consolidating Statement of Activities	34
Consolidating Statement of Functional Expenses	36
St. Joseph's Villa Schedules:	
Statements of Financial Position - St. Joseph's Villa	38
Statements of Activities - St. Joseph's Villa	39
Statements of Functional Expenses - St. Joseph's Villa	41
Schedule of Expenditures of Federal Awards:	
Schedule of Expenditures of Federal Awards	45
Notes to Schedule of Expenditures of Federal Awards	46
Compliance:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	47
Independent Auditor's Report on Compliance For Each Major Program And on Internal Control Over Compliance Required by the Uniform Guidance	49
Schedule of Findings and Questioned Costs	52

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
St. Joseph's Villa
Richmond, Virginia

Opinion

We have audited the accompanying consolidated financial statements of St. Joseph's Villa and related entity (collectively, the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of St. Joseph's Villa and related entity as of June 30, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

We did not audit the financial statements as of and for the years ended June 30, 2022 and 2021, of St. Joseph's Villa Housing Corp. ("HC"), a wholly-owned subsidiary, which statements reflect total assets of \$1,159,904 as of June 30, 2022 and \$1,204,094 as of June 30, 2021 and total revenues of \$662,994 for 2022 and \$680,652 for 2021. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it related to the amounts included for HC as of June 30, 2022 and 2021, is based solely on the reports of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States, and for 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.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 and *Government 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, including omissions, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental information on pages 26 through 41 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, activities, and cash flows of St. Joseph's Villa and related entity individually and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplemental information, which insofar as it relates to HC is based on the report of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 effectiveness of the Organization's 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 the Organization's internal control over financial reporting and compliance.



December 14, 2022
Glen Allen, Virginia

ST. JOSEPH'S VILLA

Consolidated Statements of Financial Position June 30, 2022 and 2021

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 4,578,406	\$ 6,256,833
Accounts receivable - net	2,355,991	2,173,257
Pledges receivable - net, current	346,658	688,487
Due from affiliate	12,783	-
Other current assets	<u>183,355</u>	<u>205,621</u>
Total current assets	<u>7,477,193</u>	<u>9,324,198</u>
Assets limited as to use:		
Cash held for residents	16,040	17,341
Cash held in escrow	495,735	480,309
Cash held for capital campaign	413,047	503,108
Cash restricted by grants	<u>1,766,941</u>	<u>1,660,621</u>
Total assets limited as to use	<u>2,691,763</u>	<u>2,661,379</u>
Property and equipment - net	<u>15,443,772</u>	<u>16,048,690</u>
Other assets:		
Pledges receivable - net, long-term	99,686	541,839
Real estate held for investment	<u>56,765</u>	<u>56,765</u>
Total other assets	<u>156,451</u>	<u>598,604</u>
	<u>\$ 25,769,179</u>	<u>\$ 28,632,871</u>

See accompanying notes to consolidated financial statements.

ST. JOSEPH'S VILLA

Consolidated Statements of Financial Position, Continued June 30, 2022 and 2021

<u>Liabilities and Net Assets</u>	<u>2022</u>	<u>2021</u>
Current liabilities:		
Long-term debt - net, current	\$ 156,255	\$ 151,537
Accounts payable - trade	313,649	515,364
Due to affiliate	-	56,747
Accrued interest payable	5,150	5,538
Accrued salaries and benefits	474,595	262,526
Accrued vacation	337,629	330,118
Accrued other	2,157	17,838
Deferred revenue	5,105	3,872
Construction loan payable - related party, current	<u>341,520</u>	<u>444,607</u>
Total current liabilities	1,636,060	1,788,147
Long-term debt - net	1,837,607	1,990,454
Construction loan payable - related party	259,104	955,393
Funds held for residents	<u>15,128</u>	<u>15,773</u>
Total liabilities	<u>3,747,899</u>	<u>4,749,767</u>
Net assets:		
Without donor restrictions:		
Undesignated	20,185,880	22,154,025
Board-designated	<u>56,765</u>	<u>56,765</u>
Total without donor restrictions	20,242,645	22,210,790
With donor restrictions:		
Purpose and time	<u>1,778,635</u>	<u>1,672,314</u>
Total net assets	<u>22,021,280</u>	<u>23,883,104</u>
	<u>\$ 25,769,179</u>	<u>\$ 28,632,871</u>

See accompanying notes to consolidated financial statements.

ST. JOSEPH'S VILLA

Consolidated Statements of Activities Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Program service grants and fees:			
Program service grants	\$ 2,391,606	\$ -	\$ 2,391,606
Program service fees	12,064,245	-	12,064,245
Net rental income	602,451	-	602,451
Contributions and other revenue:			
Contributions	2,018,890	135,468	2,154,358
Grants	-	1,423,438	1,423,438
Special events - net	84,710	-	84,710
Miscellaneous	83,796	-	83,796
Total support and revenue	17,245,698	1,558,906	18,804,604
Net assets released from restrictions	1,452,585	(1,452,585)	-
Expenses:			
Program services:			
Education	3,319,370	-	3,319,370
Developmental disabilities	6,863,816	-	6,863,816
Day treatment	1,093,038	-	1,093,038
Behavioral health services	1,546,140	-	1,546,140
Housing and homeless services	2,878,406	-	2,878,406
Other services	82,297	-	82,297
Housing Corporation	539,909	-	539,909
Total program services	16,322,976	-	16,322,976
Support services:			
Management and general	3,551,617	-	3,551,617
Fundraising	791,835	-	791,835
Total support services	4,343,452	-	4,343,452
Total expenses	20,666,428	-	20,666,428
Change in net assets	(1,968,145)	106,321	(1,861,824)
Net assets, beginning of year	22,210,790	1,672,314	23,883,104
Net assets, end of year	\$ 20,242,645	\$ 1,778,635	\$ 22,021,280

See accompanying notes to consolidated financial statements.

ST. JOSEPH'S VILLA

Consolidated Statements of Activities, Continued Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Program service grants and fees:			
Program service grants	\$ 3,465,183	\$ -	\$ 3,465,183
Program service fees	13,072,233	-	13,072,233
Net rental revenue	612,345	-	612,345
Contributions and other revenue:			
Contributions	1,830,399	620,840	2,451,239
Grants	2,757,200	749,901	3,507,101
Special events - net	62,681	-	62,681
Miscellaneous	179,505	-	179,505
Total support and revenue	<u>21,979,546</u>	<u>1,370,741</u>	<u>23,350,287</u>
Net assets released from restrictions	<u>8,027,352</u>	<u>(8,027,352)</u>	<u>-</u>
Expenses:			
Program services:			
Education	3,198,132	-	3,198,132
Developmental disabilities	5,965,615	-	5,965,615
Day treatment	1,053,218	-	1,053,218
Behavioral health services	1,361,827	-	1,361,827
Housing and homeless services	3,339,069	-	3,339,069
Other services	620,798	-	620,798
Housing Corporation	522,578	-	522,578
Total program services	<u>16,061,237</u>	<u>-</u>	<u>16,061,237</u>
Support services:			
Management and general	3,083,603	-	3,083,603
Fundraising	597,688	-	597,688
Total support services	<u>3,681,291</u>	<u>-</u>	<u>3,681,291</u>
Total expenses	<u>19,742,528</u>	<u>-</u>	<u>19,742,528</u>
Change in net assets	10,264,370	(6,656,611)	3,607,759
Net assets, beginning of year	<u>11,946,420</u>	<u>8,328,925</u>	<u>20,275,345</u>
Net assets, end of year	<u>\$ 22,210,790</u>	<u>\$ 1,672,314</u>	<u>\$ 23,883,104</u>

See accompanying notes to consolidated financial statements.

INTENTIONALLY LEFT BLANK

ST. JOSEPH'S VILLA

Consolidated Statements of Functional Expenses Year Ended June 30, 2022

	Program Services				
	Education	Developmental Disabilities	Day Treatment	Behavioral Health Services	Housing and Homeless Services
Employee costs	\$ 2,354,695	\$ 4,499,680	\$ 790,333	\$ 1,027,006	\$ 1,288,836
Professional fees	113,857	301,959	170,926	138,224	71,979
Equipment and supplies	179,915	565,523	3,325	130,515	11,739
Occupancy	279,452	602,377	30,153	129,226	106,899
Travel, meetings and conferences	7,809	22,170	1,874	2,976	19,625
Special assistance to individuals	55,118	61,682	10,434	4,838	1,286,225
Maintenance	-	-	-	-	-
Technology	121,725	128,949	33,290	25,120	64,035
Miscellaneous	9,677	117,313	26,631	17,322	9,835
Depreciation	197,122	564,163	26,072	70,913	19,233
Total program expenses	\$ 3,319,370	\$ 6,863,816	\$ 1,093,038	\$ 1,546,140	\$ 2,878,406
Administration	219,136	459,866	157,257	125,887	231,996
Total management and general	\$ 219,136	\$ 459,866	\$ 157,257	\$ 125,887	\$ 231,996
Fundraising	11,749	8,266	22,549	12,655	45,043
Total fundraising	\$ 11,749	\$ 8,266	\$ 22,549	\$ 12,655	\$ 45,043
Total program and support service costs	\$ 3,550,255	\$ 7,331,948	\$ 1,272,844	\$ 1,684,682	\$ 3,155,445

See accompanying notes to consolidated financial statements.

ST. JOSEPH'S VILLA

Consolidated Statements of Functional Expenses, Continued Year Ended June 30, 2022

Support Services							
			Management and General				
Other Services	Housing Corp.	Total Program Services	St. Joseph's Villa	Housing Corp.	Fundraising	Total Support Services	Total
\$ 82,297	\$ 192,828	\$ 10,235,675	\$ 1,882,917	\$ -	553,814	\$ 2,436,731	\$ 12,672,406
-	-	796,945	287,383	44,642	22,648	354,673	1,151,618
-	47,947	938,964	123,768	-	2,115	125,883	1,064,847
-	146,221	1,294,328	613,362	-	9,768	623,130	1,917,458
-	-	54,454	15,919	-	2,043	17,962	72,416
-	-	1,418,297	26,853	-	-	26,853	1,445,150
-	49,905	49,905	-	-	-	-	49,905
-	-	373,119	123,322	-	21,884	145,206	518,325
-	18,155	198,933	124,191	-	179,563	303,754	502,687
-	84,853	962,356	309,260	-	-	309,260	1,271,616
\$ 82,297	\$ 539,909	\$ 16,322,976	\$ 3,506,975	\$ 44,642	\$ 791,835	\$ 4,343,452	\$ 20,666,428
216,016	-	1,410,158	(1,494,977)	-	84,819	(1,410,158)	-
\$ 216,016	\$ -	\$ 1,410,158	\$ (1,494,977)	\$ -	\$ 84,819	\$ (1,410,158)	\$ -
5,201	-	105,463	45,886	-	(151,349)	(105,463)	-
\$ 5,201	\$ -	\$ 105,463	\$ 45,886	\$ -	\$ (151,349)	\$ (105,463)	\$ -
\$ 303,514	\$ 539,909	\$ 17,838,597	\$ 2,057,884	\$ 44,642	\$ 725,305	\$ 2,827,831	\$ 20,666,428

See accompanying notes to consolidated financial statements.

ST. JOSEPH'S VILLA

Consolidated Statements of Functional Expenses, Continued Year Ended June 30, 2021

	Program Services				
	Education	Developmental Disabilities	Day Treatment	Behavioral Health Services	Housing and Homeless Services
Employee costs	\$ 2,272,667	\$ 4,237,790	\$ 892,868	\$ 918,287	\$ 1,317,289
Professional fees	3,642	24,535	4,768	33,320	35,710
Equipment and supplies	115,984	151,378	4,307	16,235	33,502
Occupancy	98,130	243,739	19,455	104,049	76,846
Travel, meetings and conferences	13,061	15,130	6,617	2,897	7,901
Special assistance to individuals	18,852	-	145	-	1,793,987
Maintenance	166,476	344,514	16,958	55,508	14,131
Recreation	70,618	58,532	-	25,956	-
Food service	101,825	333,640	-	94,700	-
Technology	79,502	81,212	68,389	18,807	25,646
Training	13,553	55,906	6,776	11,859	5,929
Miscellaneous	22,995	59,455	9,557	3,381	10,323
Depreciation	220,827	359,784	23,378	76,828	17,805
Total program expenses	\$ 3,198,132	\$ 5,965,615	\$ 1,053,218	\$ 1,361,827	\$ 3,339,069
Administration	332,332	317,616	198,531	135,283	203,954
Total management and general	\$ 332,332	\$ 317,616	\$ 198,531	\$ 135,283	\$ 203,954
Fundraising	29,229	36,598	-	3,248	58,932
Total fundraising	\$ 29,229	\$ 36,598	\$ -	\$ 3,248	\$ 58,932
Total program and support service costs	\$ 3,559,693	\$ 6,319,829	\$ 1,251,749	\$ 1,500,358	\$ 3,601,955

See accompanying notes to consolidated financial statements.

ST. JOSEPH'S VILLA

Consolidated Statements of Functional Expenses, Continued Year Ended June 30, 2021

			Support Services				
			Management and General				
Other Services	Housing Corp.	Total Program Services	St. Joseph's Villa	Housing Corp.	Fundraising	Total Support Services	Total
\$ 1,717,004	\$ 199,864	\$ 11,555,769	\$ 1,800,049	\$ -	\$ 529,151	\$ 2,329,200	\$ 13,884,969
149,160	-	251,135	234,847	45,030	735	280,612	531,747
362,035	23,108	706,549	190,380	-	12,196	202,576	909,125
211,418	180,875	934,512	228,111	-	-	228,111	1,162,623
41,708	-	87,314	9,011	-	1,439	10,450	97,764
3,003	-	1,815,987	-	-	-	-	1,815,987
(795,030)	36,809	(160,634)	197,443	-	-	197,443	36,809
(155,106)	-	-	-	-	-	-	-
(530,165)	-	-	-	-	-	-	-
(317,153)	-	(43,597)	31,202	-	12,395	43,597	-
(99,105)	-	(5,082)	3,388	-	1,694	5,082	-
33,029	18,455	157,195	81,216	-	40,078	121,294	278,489
-	63,467	762,089	262,926	-	-	262,926	1,025,015
\$ 620,798	\$ 522,578	\$ 16,061,237	\$ 3,038,573	\$ 45,030	\$ 597,688	\$ 3,681,291	\$ 19,742,528
141,730	-	1,329,446	(1,329,446)	-	-	(1,329,446)	-
\$ 141,730	\$ -	\$ 1,329,446	\$ (1,329,446)	\$ -	\$ -	\$ (1,329,446)	\$ -
12,469	-	140,476	-	-	(140,476)	(140,476)	-
\$ 12,469	\$ -	\$ 140,476	\$ -	\$ -	\$ (140,476)	\$ (140,476)	\$ -
\$ 774,997	\$ 522,578	\$ 17,531,159	\$ 1,709,127	\$ 45,030	\$ 457,212	\$ 2,211,369	\$ 19,742,528

See accompanying notes to consolidated financial statements.

ST. JOSEPH'S VILLA

Consolidated Statements of Cash Flows Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (1,861,824)	\$ 3,607,759
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	1,271,616	1,025,015
Amortization of deferred financing costs	3,407	3,649
Forgiveness of Paycheck Protection Program loan	-	(2,757,200)
Loss on disposal of property and equipment	11,336	2,397
Changes in assets and liabilities:		
Accounts receivable - net	(182,734)	(205,724)
Pledges receivable - net	783,982	370,945
Other current assets	22,266	86,852
Due from affiliate	(12,783)	-
Accounts payable - trade	(201,715)	109,635
Due to affiliate	(56,747)	38,790
Accrued interest payable	(388)	(376)
Accrued salaries and benefits	212,069	(397,318)
Accrued vacation	7,511	(17,094)
Accrued other	(15,681)	17,838
Deferred revenue	1,233	(27,791)
Funds held for residents	<u>(645)</u>	<u>385</u>
Net cash (used in) provided by operating	<u>(19,097)</u>	<u>1,857,762</u>
Cash flows from investing activities:		
Proceeds from sale of real estate held for investment	-	149,414
Purchase of property and equipment	<u>(678,034)</u>	<u>(3,124,847)</u>
Net cash used in investing activities	<u>(678,034)</u>	<u>(2,975,433)</u>
Cash flows from financing activities:		
Principal payments on long-term debt	(151,536)	(146,961)
(Payments on) proceeds from construction loan from related party	<u>(799,376)</u>	<u>1,400,000</u>
Net cash (used in) provided by financing activities	<u>(950,912)</u>	<u>1,253,039</u>

See accompanying notes to consolidated financial statements.

ST. JOSEPH'S VILLA

Consolidated Statements of Cash Flows, Continued Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Net change in cash	\$ (1,648,043)	\$ 135,368
Cash, beginning of year	<u>8,918,212</u>	<u>8,782,844</u>
Cash, end of year	<u>\$ 7,270,169</u>	<u>\$ 8,918,212</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 74,204</u>	<u>\$ 75,712</u>
Reconciliation to Consolidated Statements of Financial Position:		
Cash and cash equivalents	\$ 4,578,406	\$ 6,256,833
Cash held for residents	16,040	17,341
Cash held in escrow	495,735	480,309
Cash held for capital campaign	413,047	503,108
Cash restricted by grants	<u>1,766,941</u>	<u>1,660,621</u>
	<u>\$ 7,270,169</u>	<u>\$ 8,918,212</u>

See accompanying notes to consolidated financial statements.

ST. JOSEPH'S VILLA

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies:

Organization: St. Joseph's Villa (the "Villa") is a nonprofit corporation organized in 1834 for the primary purposes of providing for the health, education and general welfare of children and their families. The Villa serves families primarily in Virginia.

Hollybrook Apartments, owned by St. Joseph's Villa Housing Corp. (the "Housing Corp."), is organized under Section 202 of the National Housing Act to acquire, renovate, own and operate a 60-unit apartment complex located in Richmond, Virginia (the "Development") and provide low cost housing for people with disabilities under operating lease arrangements. The Development is regulated by the United States Department of Housing and Urban Development ("HUD") as to rental rates and operating methods. The Development has a Section 8 Housing Assistance Payment agreement with HUD and a significant portion of the Development's rental income is received from HUD under this agreement.

Principles of Consolidation: The accompanying consolidated financial statements include the resources and activities of St. Joseph's Villa and St. Joseph's Villa Housing Corp. (collectively, the "Organization"). All significant intercompany transactions and accounts are eliminated.

Basis of Accounting: The Organization prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States ("GAAP"), which require reporting information regarding its financial position and activities according to these two classes of net assets:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions include the revenues and expenses of the primary operations of the Organization. If the Board specifies a purpose where none has been stated by the original donor, such assets are classified as Board-designated within net assets without donor restrictions. Board-designated assets totaled \$56,765 at June 30, 2022 and June 30, 2021 (see Note 14).

Net Assets With Donor Restrictions: Net assets that are subject to donor or grant-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Other donor-imposed restrictions are perpetual in nature, whereby the donor stipulates that they may be maintained permanently by the Organization to use all or part of the income earned on any related investments for general or specific purposes, in accordance with the conditions of each specific donation. There were no net assets required to be held in perpetuity at June 30, 2022 and 2021.

ST. JOSEPH'S VILLA

Notes to Consolidated Financial Statements, Continued

1. Summary of Significant Accounting Policies, Continued:

Estimates: The preparation of consolidated 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 consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: The Organization considers as cash equivalents all short term, highly liquid investments with maturities of three months or less at date of acquisition.

Accounts Receivable: Accounts receivable represent receivables recorded at the original invoiced amount and do not bear interest. Receivables are recorded net of an allowance for doubtful accounts. The Organization evaluates the collectability of its accounts receivables based on a combination of factors, including the age of the receivable, on a monthly basis. Accounts receivable are written off when deemed uncollectible. The allowance for doubtful accounts was \$707 as of June 30, 2022, and \$806 as of June 30, 2021.

Concentrations of Credit Risk: The Organization maintains its cash and cash equivalent balances in financial institutions with high credit quality ratings. The balances in the financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization periodically has balances in excess of the insured limits.

The Organization's accounts receivable and pledges receivable are due from government agencies, corporations, and individuals located primarily in Central Virginia. The Organization believes its credit risk related to these receivables is limited due to the nature of its customers and donors. The ability to collect receivables is affected by the general economic conditions.

Pledges Receivable: Unconditional promises to give are recognized as net assets with donor restrictions. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of future cash flows. Amortization of the discount is included in contribution revenue. The allowance is based on prior years' experience and management's analysis of specific pledges. The allowance for doubtful pledges was \$4,240 as of June 30, 2022, and \$6,046 as of June 30, 2021.

Assets Limited as to Use: Assets limited as to use includes restricted capital campaign cash, assets designated and held aside by a mortgagee for insurance premiums and taxes and to meet reserve requirements for HUD, and amounts received from residents for security and other deposits. Assets limited as to use are held in interest bearing cash accounts.

ST. JOSEPH'S VILLA

Notes to Consolidated Financial Statements, Continued

1. Summary of Significant Accounting Policies, Continued:

Property and Equipment: Property and equipment are recorded at cost for purchased assets and at fair value for donated items. Major repairs and betterments are capitalized, and normal maintenance and repairs are charged to expense as incurred. Depreciation is calculated on a straight-line basis over the estimated useful lives of the related assets, which range from three to fifty years. Upon retirement or sale of an asset, the cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in operations.

Real Estate Held for Investment: Investments in real estate are recorded at fair value at the time of purchase or donation to the Organization. Management evaluates the investments for impairment in accordance with GAAP. The Organization did not identify any impairment during 2022 or 2021.

Deferred Financing Costs: Deferred financing costs totaling \$57,936, incurred in connection with obtaining a mortgage note payable, were capitalized and are being amortized over the term of the note using the effective interest method. Accumulated amortization was \$38,796 as of June 30, 2022, and \$35,389 as of June 30, 2021. Amortization expense was \$3,407 for 2022 and \$3,649 for 2021. Amortization of debt issuance costs is reported as a component of interest expense.

Revenue Recognition: The Organization recognizes revenue in accordance with FASB guidance for exchange (program service grants and fees) and non-exchange transactions (contributions, grants, and special events).

Program service grants and fees include revenues earned by providing services whereby the recipient pays or a third party (i.e. local government, insurance company, etc.) on behalf of the recipient pays commensurate value for the services. Under this scenario, there is a contract in place that stipulates the performance obligations, transaction prices, and billing arrangement. Services are only billed after the service has been provided and the Organization has a right to the revenue.

Contract assets represent the Organization's right to consideration in exchange for services the Organization has transferred to the recipient under a contract. Accounts receivable are recorded when the right to payment becomes unconditional. Accounts receivable totaled \$2,062,554 at June 30, 2022, \$1,901,954 at June 30, 2021, and \$2,027,606 at June 30, 2020. Contract liabilities represent payments received in advance of performance under a contract. Contract liabilities are recognized as revenue as (or when) the Organization performs under the contract. Deferred revenue totaled \$5,105 at June 30, 2022, \$3,872 at June 30, 2021, and \$31,663 at June 30, 2020.

ST. JOSEPH'S VILLA

Notes to Consolidated Financial Statements, Continued

1. Summary of Significant Accounting Policies, Continued:

Revenue Recognition, Continued: Contributions and grants include revenues provided to the Organization where there is no expectation of services to be provided for the contributor or grantor, but rather for the purpose of furthering the Organization's mission. Unconditional contributions and grants are recognized as revenues when received or promised and are classified in the appropriate net asset class based on donor stipulations. Conditional contributions and grants are recognized as revenues when conditions are substantially met.

Contributions of donated noncash financial assets are recorded at their fair value in the period received.

Functional Allocation of Expenses: The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include maintenance, occupancy, and depreciation, which are allocated on a square footage basis, as well as recreation, food service, technology, training, equipment and supplies, travel, and miscellaneous, which are allocated on the basis of usage. Also, employee costs, and other administrative and fundraising costs are allocated on the basis of estimates of time and effort.

Advertising Expenses: The Organization expenses advertising costs as they are incurred. Advertising expense amounted to \$39,892 for 2022 and \$34,784 for 2021.

Income Taxes: The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Income Tax Uncertainties: Management has evaluated the effects of accounting guidance related to uncertain income tax positions and concluded that the Organization had no significant financial statement exposure to uncertain income tax positions at June 30, 2022 and 2021. The Organization is not currently under audit by any tax jurisdiction.

Subsequent Events: Management has evaluated subsequent events through December 14, 2022, the date the consolidated financial statements were available to be issued, and has determined that, other than as disclosed in Note 6, there are no subsequent events to be reported in the accompanying consolidated financial statements.

2. Housing Assistance Payment Contract:

HUD has contracted with the Housing Corp. to make housing assistance payments on behalf of qualified tenants. The contract is subject to renewal, and if not renewed, could substantially impact the rental income of the Development. The current contract for the Housing Corp. will expire May 2033. The Housing Corp. received assistance payments of \$449,119 in 2022 and \$480,753 in 2021.

ST. JOSEPH'S VILLA

Notes to Consolidated Financial Statements, Continued

3. Pledges Receivable:

The present value of estimated future cash flows of pledges receivable is discounted at the risk-free rate of 3.01% at June 30, 2022 and 0.87% at June 30, 2021. Future cash flows are expected to be received as follows at June 30:

	<u>2022</u>	<u>2021</u>
Amounts due in:		
Less than one year	\$ 350,898	\$ 691,985
One to five years	<u>105,823</u>	<u>547,885</u>
	456,721	1,239,870
Less:		
Allowance for doubtful pledges	(4,240)	(6,046)
Discount on pledges receivable	<u>(6,137)</u>	<u>(3,498)</u>
	<u>\$ 446,344</u>	<u>\$ 1,230,326</u>

4. Property and Equipment:

Property and equipment consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 899,678	\$ 899,678
Land improvements	8,673,370	8,439,891
Buildings and storage sheds	22,181,939	22,002,256
Furniture and equipment	359,774	351,224
Computer equipment	597,978	575,978
Vehicles	349,907	349,907
Construction in process	<u>59,168</u>	<u>307,114</u>
	33,121,814	32,926,048
Less accumulated depreciation	<u>(17,678,042)</u>	<u>(16,877,358)</u>
	<u>\$ 15,443,772</u>	<u>\$ 16,048,690</u>

ST. JOSEPH'S VILLA

Notes to Consolidated Financial Statements, Continued

5. Fair Value Measurements:

The Organization follows FASB guidance, which provides a framework for measuring fair value under GAAP, for all financial assets and liabilities measured at fair value on a recurring basis.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The guidance requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The guidance also establishes a fair value hierarchy which prioritizes the valuation inputs into three broad levels. Based on the underlying inputs, each fair value measurement in its entirety is reported in one of the three levels.

These levels are:

Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets. Level 1 assets and liabilities include debt and equity securities traded in an active exchange market, as well as certain U.S. Treasury securities that are traded by dealers or brokers in active markets.

Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Valuation is determined using model-based techniques that use significant assumptions not observable in the market and significant to the fair value measurement. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

Assets measured at fair value on a recurring basis included pledges receivable of \$446,344 at June 30, 2022, and \$1,230,326 at June 30, 2021, using Level 3 criteria. There were no liabilities measured at fair value on a recurring basis at June 30, 2022 and 2021.

Pledges receivable increased by \$104,000 during 2022 and \$412,854 during 2021 due to new pledges received and decreased by \$885,285 during 2022 and \$802,175 during 2021 due to collections on outstanding pledges.

ST. JOSEPH'S VILLA

Notes to Consolidated Financial Statements, Continued

6. Line of Credit:

The Organization has available a \$500,000 revolving line of credit with a variable annual interest rate of one-month London Interbank Offered Rate (LIBOR) plus 2.25%. The line of credit matured on June 30, 2022. There were no borrowings on the line of credit during 2022 or 2021. Subsequent to year-end, the Organization entered into a \$1,500,000 revolving line of credit with a variable annual interest rate of the Secured Overnight Financing Rate (SOFR) plus 2.25%. The line matures July 28, 2023.

7. Long-Term Debt:

The Organization entered into a mortgage note payable in the amount of \$3,223,200, bearing interest at 3.07% per annum. The mortgage note is payable in monthly installments of principal and interest of \$17,989 with a maturity date of June 1, 2033. The balance of the mortgage note was \$2,013,002 as of June 30, 2022, and was \$2,164,538 of June 30, 2021.

The following are the components of the mortgage as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Mortgage payable	\$ 2,013,002	\$ 2,164,538
Debt issuance costs, net of \$38,796 and \$35,389 accumulated amortization, respectively	<u>(19,140)</u>	<u>(22,547)</u>
	1,993,862	2,141,991
Less current portion	<u>(156,255)</u>	<u>(151,537)</u>
	<u>\$ 1,837,607</u>	<u>\$ 1,990,454</u>

The deferred financing costs are amortized over the life of the mortgage loan payable and reported as interest expense within the accompanying consolidated financial statements. The amount expensed was \$3,407 for 2022 and \$3,649 for 2021.

ST. JOSEPH'S VILLA

Notes to Consolidated Financial Statements, Continued

7. Long-Term Debt, Continued:

The estimated annual principal maturities for subsequent years ending June 30 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 156,255
2024	161,120
2025	166,136
2026	171,309
2027	176,643
Thereafter	<u>1,181,539</u>
	<u>\$ 2,013,002</u>

8. Related Party Transactions:

The Villa is associated with St. Joseph's Villa Foundation (the "Foundation"), a non-consolidated affiliated organization. The Foundation made unrestricted contributions to the Organization of \$1,244,971 during 2022 and \$1,221,668 during 2021.

During 2021, the Foundation transferred \$1,400,000 from its investment accounts to the Villa as a loan to cover a gap in funding for construction costs. Interest accrues at the London Interbank Offered Rate ("LIBOR") plus 1.5% and was \$20,587 for 2022 and \$10,914 for 2021, which is included within miscellaneous expense in the accompanying statements of functional expenses. In 2022, the Villa repaid the Foundation \$799,376; the remainder of the loan amount is to be paid back as soon as possible, using future pledge payments received by the Villa. The current portion of the loan, estimated at \$341,520 at June 30, 2022, represents current pledges receivable of the Villa restricted to the capital campaign as of June 30, 2022.

9. Defined Contribution Plan:

The Organization has a defined contribution 403(b) retirement plan in which all employees may participate. Under the plan, the Organization contributes a match up to 5% of eligible employees' salaries. Contributions to the plan totaled \$223,432 for 2022 and \$228,569 for 2021. The contract is assigned to the employee and remains with them upon separation of service.

ST. JOSEPH'S VILLA

Notes to Consolidated Financial Statements, Continued

10. Commitments and Contingencies:

Office Equipment

The Organization leases equipment under operating lease agreements. Lease expense was \$77,033 for 2022, and \$75,576 for 2021. Estimated future minimum lease payments under the long-term operating leases are \$77,403 for 2023.

Building Lease

The Organization leases buildings under operating lease agreements. Lease expense was \$77,636 for 2022, and \$62,725 for 2021. Estimated future minimum lease payments under the long-term operating leases are \$107,354 for 2023, \$108,886 for 2024, and \$58,209 for 2025.

Federal Awards

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for noncompliance with grantor restrictions. Such audits could also result in the grantor prohibiting future funding of such grant. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, for any impact from the revocation of future grant funds cannot be determined at this date.

11. Deferred Compensation Agreement:

The Organization also has a nonqualified executive deferred executive compensation agreement with the Chief Executive Officer. The effective date of this agreement was August 1, 2011. The unfunded plan allows for a lump sum deferral plus annual additions. Earnings accrue on the unpaid balance and are credited to the deferred compensation account. The executive's interest in the deferred compensation is nontransferable. The benefit payment begins on the first day of the month next following the date on which the executive's employment terminates or no later than the calendar year in which the executive turns age seventy and one half. The agreement includes a provision of death and disability. Any benefit under the agreement is a mere contractual obligation of the Organization and the Organization is self-insured for this commitment.

ST. JOSEPH'S VILLA

Notes to Consolidated Financial Statements, Continued

12. Leases:

The Organization leases property located at 8000 Brook Road and 6200 Brook Road, Henrico, Virginia, to third parties. The leased property consists of office space, land for the purposes of advertising, and equipment that is included in property and equipment – net in the accompanying consolidated financial statements. The leased office space terminated June 2022 yet includes an automatic annual renewal policy; the leased land will terminate December 2026; and the leased equipment will terminate in December 2025. Estimated future lease revenues under the long-term operating leases are \$24,279 for 2023, \$24,918 for 2024, \$25,575 for 2025, \$14,454 for 2026, and \$1,500 for 2027.

13. Net Assets With Donor Restrictions:

Net assets with donor restrictions were restricted for the following purposes at June 30:

	<u>2022</u>	<u>2021</u>
RiseUP capital campaign	\$ 11,694	\$ 11,694
Program service needs	<u>1,766,941</u>	<u>1,660,620</u>
	<u>\$ 1,778,635</u>	<u>\$ 1,672,314</u>

Net assets with donor restrictions were released from donor restrictions by incurring expenses to satisfy the following restricted purposes for the years ended June 30:

	<u>2022</u>	<u>2021</u>
RiseUP capital campaign	\$ 135,468	\$ 7,375,735
Grants and contributions	<u>1,317,117</u>	<u>651,617</u>
	<u>\$ 1,452,585</u>	<u>\$ 8,027,352</u>

14. Board-Designated Net Assets:

Board-designated net assets of \$56,765 at June 30, 2022 and \$56,765 at June 30, 2021 consists of real estate held for investment.

ST. JOSEPH'S VILLA

Notes to Consolidated Financial Statements, Continued

15. Liquidity and Availability of Financial Assets:

The following represents the Organization's financial assets at June 30, 2022 and 2021:

	2022	2021
Financial assets at year end:		
Cash and cash equivalents	\$ 4,578,406	\$ 6,256,833
Accounts receivable - net	2,355,991	2,173,257
Pledges receivable - net	446,344	1,230,326
Total financial assets	7,380,741	9,660,416
Less amounts not available to be used within one year:		
Pledges receivable - net, noncurrent	99,686	541,839
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 7,281,055</u>	<u>\$ 9,118,577</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The St. Joseph's Villa Foundation board of directors has approved a contribution of \$1,042,094 for the fiscal year ending June 30, 2023 (see Note 8). This contribution will be received as needed by the Organization.

16. Federal Grant Reporting Requirements:

The accompanying consolidated financial statements and consolidating schedules include the federal grant activity of the Housing Corp., which was audited and reported on separately by other auditors whose reports were dated September 30, 2022 and September 29, 2021. Those reports include the schedule of federal awards and expenditures for the Housing Corp. presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administration Guidance, Cost Principles, and Audit Requirements for Federal Awards*. The federal grant activity of the Housing Corp. is not reflected in the accompanying Schedule of Expenditures of Federal Awards.

ST. JOSEPH'S VILLA

Notes to Consolidated Financial Statements, Continued

17. Paycheck Protection Program Loan:

In response to the economic instability caused by COVID-19, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was passed by Congress and signed into law by the President on March 27, 2021. The Paycheck Protection Program was a component of the CARES Act and provided for a loan ("PPP Loan") to provide a direct incentive for employers to keep their employees on the payroll. A PPP Loan is eligible for full or partial forgiveness if the funds are used for qualifying costs including payroll, rent, mortgage interest, or utilities, as further defined in the CARES Act.

During 2020, the Organization applied for and was approved for a PPP Loan in the amount of \$2,757,200 and the loan was funded on April 17, 2020. The loan accrued interest at 1.0%, but payments were not required to begin until either (1) the date that the Small Business Administration remitted the borrower's loan forgiveness amount to the lender or (2) ten months after the end of the borrower's loan forgiveness covered period if the borrower did not apply for loan forgiveness. The Organization was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The PPP Loan was uncollateralized and was fully guaranteed by the Federal government.

On June 14, 2021, the Organization received notification of full forgiveness of their PPP loan from the Small Business Administration ("SBA"), which is included within support and revenue as grants without donor restrictions on the 2021 statement of activities.

18. Pending Accounting Guidance:

Leases: In February 2016, the FASB issued ASU No. 2016-02 ("ASU 2016-02"). The new standard will require lessees to put most leases on the balance sheet or statement of financial position but recognize expenses on the income statement or statement of activities in a manner similar to today's accounting. For lessors, the guidance modifies the classification criteria and the accounting for sales-type and direct financing leases. The amendments in ASU 2016-02 are effective for non-public entities for annual reporting periods beginning after December 15, 2021. The Organization is currently evaluating the impact of adopting ASU 2016-02 on its financial statements.

Credit Losses: In June 2016, the FASB issued ASU No. 2016-13 ("ASU 2016-13"), *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The ASU replaces the current incurred loss model used to measure impairment losses with an expected loss model for trade and other receivables. The standard is effective for non-public entities for annual reporting periods beginning after December 15, 2022, with early adoption permitted and will be applied using a modified-retrospective approach through a cumulative-effect adjustment to net assets as of the beginning of the first reporting period in which the guidance is effective. The Organization is currently evaluating the impact of adopting ASU 2016-13 on its financial statements.

INTENTIONALLY LEFT BLANK

SUPPLEMENTAL INFORMATION

INTENTIONALLY LEFT BLANK

Consolidating Schedules

June 30, 2022

ST. JOSEPH'S VILLA

Consolidating Statement of Financial Position June 30, 2022

<u>Assets</u>	<u>St. Joseph's Villa</u>	<u>Housing Corp.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Current assets:				
Cash and cash equivalents	\$ 4,554,146	\$ 24,260	\$ -	\$ 4,578,406
Accounts receivable - net	2,315,615	40,376	-	2,355,991
Pledges receivable - net, current	346,658	-	-	346,658
Due from affiliate	13,737	-	(954)	12,783
Other current assets	<u>174,808</u>	<u>8,547</u>	<u>-</u>	<u>183,355</u>
Total current assets	<u>7,404,964</u>	<u>73,183</u>	<u>(954)</u>	<u>7,477,193</u>
Assets limited as to use:				
Cash held for residents	-	16,040	-	16,040
Cash held in escrow	-	495,735	-	495,735
Cash held for capital campaign	413,047	-	-	413,047
Cash restricted by grants	<u>1,766,941</u>	<u>-</u>	<u>-</u>	<u>1,766,941</u>
Total assets limited as to use	<u>2,179,988</u>	<u>511,775</u>	<u>-</u>	<u>2,691,763</u>
Property and equipment - net	<u>14,868,826</u>	<u>574,946</u>	<u>-</u>	<u>15,443,772</u>
Other assets:				
Pledges receivable - net, long-term	99,686	-	-	99,686
Real estate held for investment	<u>56,765</u>	<u>-</u>	<u>-</u>	<u>56,765</u>
Total other assets	<u>156,451</u>	<u>-</u>	<u>-</u>	<u>156,451</u>
	<u>\$ 24,610,229</u>	<u>\$ 1,159,904</u>	<u>\$ (954)</u>	<u>\$ 25,769,179</u>

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Consolidating Statement of Financial Position, Continued June 30, 2022

<u>Liabilities and Net Assets</u>	<u>St. Joseph's Villa</u>	<u>Housing Corp.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Current liabilities:				
Long-term debt - net, current	\$ -	\$ 156,255	\$ -	\$ 156,255
Accounts payable - trade	240,353	73,296	-	313,649
Accrued interest payable	-	5,150	-	5,150
Accrued salaries and benefits	467,026	7,569	-	474,595
Accrued vacation	329,681	7,948	-	337,629
Accrued other	-	3,111	(954)	2,157
Deferred revenue	1,109	3,996	-	5,105
Construction loan payable - related party, current	<u>341,520</u>	<u>-</u>	<u>-</u>	<u>341,520</u>
Total current liabilities	1,379,689	257,325	(954)	1,636,060
Long-term debt - net		1,837,607	-	1,837,607
Construction loan payable - related party	259,104	-	-	259,104
Other liabilities:				
Funds held for residents	<u>-</u>	<u>15,128</u>	<u>-</u>	<u>15,128</u>
Total liabilities	<u>1,638,793</u>	<u>2,110,060</u>	<u>(954)</u>	<u>3,747,899</u>
Net assets (deficit):				
Without donor restrictions:				
Undesignated	21,136,036	(950,156)	-	20,185,880
Board designated	<u>56,765</u>	<u>-</u>	<u>-</u>	<u>56,765</u>
Total without donor restrictions	21,192,801	(950,156)	-	20,242,645
With donor restrictions:				
Purpose and time	<u>1,778,635</u>	<u>-</u>	<u>-</u>	<u>1,778,635</u>
Total net assets (deficit)	<u>22,971,436</u>	<u>(950,156)</u>	<u>-</u>	<u>22,021,280</u>
	<u>\$ 24,610,229</u>	<u>\$ 1,159,904</u>	<u>\$ (954)</u>	<u>\$ 25,769,179</u>

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Consolidating Statement of Activities Year Ended June 30, 2022

	St. Joseph's Villa	Housing Corp.	Eliminations	Consolidated Total
Net assets without donor restrictions:				
Revenues and support:				
Program service fees and grants:				
Program service grants	\$ 2,391,606	\$ -	\$ -	\$ 2,391,606
Program service fees	12,064,245	-	-	12,064,245
Net rental income	-	602,451	-	602,451
Contributions and other revenue:				
Contributions	2,018,890	-	-	2,018,890
Special events - net	84,710	-	-	84,710
Miscellaneous	34,705	60,543	(11,452)	83,796
Total revenues and support	16,594,156	662,994	(11,452)	17,245,698
Net assets released from restrictions	1,452,585	-	-	1,452,585
Expenses:				
Program services:				
Education	3,319,370	-	-	3,319,370
Developmental disabilities	6,863,816	-	-	6,863,816
Day treatment	1,093,038	-	-	1,093,038
Behavioral health services	1,546,140	-	-	1,546,140
Housing and homeless services	2,878,406	-	-	2,878,406
Other services	82,297	-	-	82,297
Housing Corporation	-	551,361	(11,452)	539,909
Support services:				
Management and general	3,506,975	44,642	-	3,551,617
Fundraising	791,835	-	-	791,835
Total expenses	20,081,877	596,003	(11,452)	20,666,428
Changes in net assets without donor restrictions	(2,035,136)	66,991	-	(1,968,145)

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Consolidating Statement of Activities, Continued Year Ended June 30, 2022

	St. Joseph's Villa	Housing Corp.	Eliminations	Consolidated Total
Net assets with donor restrictions:				
Revenues and support:				
Contributions	\$ 135,468	\$ -	\$ -	\$ 135,468
Grants	<u>1,423,438</u>	<u>-</u>	<u>-</u>	<u>1,423,438</u>
Total revenues and support	<u>1,558,906</u>	<u>-</u>	<u>-</u>	<u>1,558,906</u>
Net assets released from restrictions	<u>(1,452,585)</u>	<u>-</u>	<u>-</u>	<u>(1,452,585)</u>
Changes in net assets with donor restrictions	<u>106,321</u>	<u>-</u>	<u>-</u>	<u>106,321</u>
Change in net assets	(1,928,815)	66,991	-	(1,861,824)
Net assets (deficit), beginning of year	<u>24,900,251</u>	<u>(1,017,147)</u>	<u>-</u>	<u>23,883,104</u>
Net assets (deficit), end of year	<u>\$ 22,971,436</u>	<u>\$ (950,156)</u>	<u>\$ -</u>	<u>\$ 22,021,280</u>

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Consolidating Statement of Functional Expenses Year Ended June 30, 2022

	Program Services		
	St. Joseph's Villa	Housing Corp.	Total Program Services
Employee costs	\$ 10,042,847	\$ 192,828	\$ 10,235,675
Professional fees	796,945	-	796,945
Equipment and supplies	891,017	47,947	938,964
Occupancy	1,148,107	157,673	1,305,780
Travel, meetings and conferences	54,454	-	54,454
Special assistance to individuals	1,418,297	-	1,418,297
Maintenance	-	49,905	49,905
Technology	373,119	-	373,119
Miscellaneous	180,778	18,155	198,933
Depreciation	877,503	84,853	962,356
Total program expenses	\$ 15,783,067	\$ 551,361	\$ 16,334,428
Administration	1,410,158	-	1,410,158
Total management and general	\$ 1,410,158	\$ -	\$ 1,410,158
Fundraising	105,463	-	105,463
Total fundraising	\$ 105,463	\$ -	\$ 105,463
Total program and support service costs	\$ 17,298,688	\$ 551,361	\$ 17,850,049

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Consolidating Statement of Functional Expenses, Continued Year Ended June 30, 2022

	Support Services				
	Management and General		Fundraising		Total Expenses
	St. Joseph's Villa	Housing Corp.	St. Joseph's Villa	Eliminations	
Employee costs	\$ 1,882,917	\$ -	\$ 553,814	\$ -	\$ 12,672,406
Professional fees	287,383	44,642	22,648	-	1,151,618
Equipment and supplies	123,768	-	2,115	-	1,064,847
Occupancy	613,362	-	9,768	(11,452)	1,917,458
Travel, meetings and conferences	15,919	-	2,043	-	72,416
Special assistance to individuals	26,853	-	-	-	1,445,150
Maintenance	-	-	-	-	49,905
Technology	123,322	-	21,884	-	518,325
Miscellaneous	124,191	-	179,563	-	502,687
Depreciation	309,260	-	-	-	1,271,616
Total program expenses	\$ 3,506,975	\$ 44,642	\$ 791,835	\$ (11,452)	\$ 20,666,428
Administration	(1,494,977)	-	84,819	-	-
Total management and general	\$ (1,494,977)	\$ -	\$ 84,819	\$ -	\$ -
Fundraising	45,886	-	(151,349)	-	-
Total fundraising	\$ 45,886	\$ -	\$ (151,349)	\$ -	\$ -
Total program and support service cost	\$ 2,057,884	\$ 44,642	\$ 725,305	\$ (11,452)	\$ 20,666,428

See Independent Auditor's Report.

INTENTIONALLY LEFT BLANK

Consolidating Schedules

June 30, 2021

ST. JOSEPH'S VILLA

Consolidating Statement of Financial Position June 30, 2021

<u>Assets</u>	<u>St. Joseph's Villa</u>	<u>Housing Corp.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Current assets:				
Cash and cash equivalents	\$ 6,238,811	\$ 18,022	\$ -	\$ 6,256,833
Accounts receivable - net	2,151,488	21,769	-	2,173,257
Pledges receivable - net, current	688,487	-	-	688,487
Other current assets	<u>187,767</u>	<u>17,854</u>	<u>-</u>	<u>205,621</u>
Total current assets	<u>9,266,553</u>	<u>57,645</u>	<u>-</u>	<u>9,324,198</u>
Assets limited as to use:				
Cash held for residents	-	17,341	-	17,341
Cash held in escrow	-	480,309	-	480,309
Cash held for capital campaign	503,108	-	-	503,108
Cash restricted by grants	<u>1,660,621</u>	<u>-</u>	<u>-</u>	<u>1,660,621</u>
Total assets limited as to use	<u>2,163,729</u>	<u>497,650</u>	<u>-</u>	<u>2,661,379</u>
Property and equipment - net	<u>15,399,891</u>	<u>648,799</u>	<u>-</u>	<u>16,048,690</u>
Other assets:				
Pledges receivable - net, long-term	541,839	-	-	541,839
Real estate held for investment	<u>56,765</u>	<u>-</u>	<u>-</u>	<u>56,765</u>
Total other assets	<u>598,604</u>	<u>-</u>	<u>-</u>	<u>598,604</u>
	<u>\$ 27,428,777</u>	<u>\$ 1,204,094</u>	<u>\$ -</u>	<u>\$ 28,632,871</u>

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Consolidating Statement of Financial Position, Continued June 30, 2021

<u>Liabilities and Net Assets</u>	<u>St. Joseph's Villa</u>	<u>Housing Corp.</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Current liabilities:				
Long-term debt - net, current	\$ -	\$ 151,537	\$ -	\$ 151,537
Accounts payable - trade	494,397	20,967	-	515,364
Due to affiliate	56,747	-	-	56,747
Accrued interest payable	-	5,538	-	5,538
Accrued salaries and benefits	255,219	7,307	-	262,526
Accrued vacation	318,399	11,719	-	330,118
Accrued other	-	17,838	-	17,838
Deferred revenue	3,764	108	-	3,872
Construction loan payable - related party, current	444,607	-	-	444,607
Total current liabilities	1,573,133	215,014	-	1,788,147
Long-term debt - net	-	1,990,454	-	1,990,454
Construction loan payable - related party	955,393	-	-	955,393
Other liabilities:				
Funds held for residents	-	15,773	-	15,773
Total liabilities	2,528,526	2,221,241	-	4,749,767
Net assets (deficit):				
Without donor restrictions:				
Undesignated	23,171,172	(1,017,147)	-	22,154,025
Board designated	56,765	-	-	56,765
Total without donor restrictions	23,227,937	(1,017,147)	-	22,210,790
With donor restrictions:				
Purpose and time	1,672,314	-	-	1,672,314
Total net assets (deficit)	24,900,251	(1,017,147)	-	23,883,104
	<u>\$ 27,428,777</u>	<u>\$ 1,204,094</u>	<u>\$ -</u>	<u>\$ 28,632,871</u>

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Consolidating Statement of Activities Year Ended June 30, 2021

	St. Joseph's Villa	Housing Corp.	Eliminations	Consolidated Total
Net assets without donor restrictions				
Revenues and support:				
Program service fees and grants:				
Program service grants	\$ 3,465,183	\$ -	\$ -	\$ 3,465,183
Program service fees	13,072,233	-	-	13,072,233
Net rental revenue	-	612,345	-	612,345
Contributions and other revenue:				
Contributions	1,830,399	-	-	1,830,399
Grants	2,757,200	-	-	2,757,200
Special events - net	62,681	-	-	62,681
Miscellaneous	122,316	68,307	(11,118)	179,505
Total revenues and support	21,310,012	680,652	(11,118)	21,979,546
Net assets released from restrictions	8,027,352	-	-	8,027,352
Expenses and losses:				
Program services:				
Education	3,198,132	-	-	3,198,132
Developmental disabilities	5,965,615	-	-	5,965,615
Day treatment	1,053,218	-	-	1,053,218
Behavioral health services	1,361,827	-	-	1,361,827
Housing and homeless services	3,339,069	-	-	3,339,069
Other services	620,798	-	-	620,798
Housing Corporation	-	533,696	(11,118)	522,578
Support services:				
Management and general	3,038,573	45,030	-	3,083,603
Fundraising	597,688	-	-	597,688
Total expenses	19,174,920	578,726	(11,118)	19,742,528
Changes in net assets	10,162,444	101,926	-	10,264,370

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Consolidating Statement of Activities, Continued Year Ended June 30, 2021

	St. Joseph's Villa	Housing Corp.	Eliminations	Consolidated Total
Net assets with donor restrictions:				
Revenues and support:				
Contributions	\$ 620,840	\$ -	\$ -	\$ 620,840
Grants	749,901	-	-	749,901
Total revenues and support	<u>1,370,741</u>	<u>-</u>	<u>-</u>	<u>1,370,741</u>
Net assets released from restrictions	<u>(8,027,352)</u>	<u>-</u>	<u>-</u>	<u>(8,027,352)</u>
Changes in net assets with donor restrictions	<u>(6,656,611)</u>	<u>-</u>	<u>-</u>	<u>(6,656,611)</u>
Changes in net assets	3,505,833	101,926	-	3,607,759
Net assets (deficit), beginning of year	<u>21,394,418</u>	<u>(1,119,073)</u>	<u>-</u>	<u>20,275,345</u>
Net assets (deficit), end of year	<u>\$ 24,900,251</u>	<u>\$ (1,017,147)</u>	<u>\$ -</u>	<u>\$ 23,883,104</u>

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Consolidating Statement of Functional Expenses Year Ended June 30, 2021

	Program Services		
	St. Joseph's Villa	Housing Corp.	Total Program Services
Employee costs	\$ 11,355,905	\$ 199,864	\$ 11,555,769
Professional fees	251,135	-	251,135
Equipment and supplies	683,441	23,108	706,549
Occupancy	753,637	191,993	945,630
Travel, meetings and conferences	87,314	-	87,314
Special assistance to individuals	1,815,987	-	1,815,987
Maintenance	(197,443)	36,809	(160,634)
Technology	(43,597)	-	(43,597)
Training	(5,082)	-	(5,082)
Miscellaneous	138,740	18,455	157,195
Depreciation	698,622	63,467	762,089
Total program expenses	<u>\$ 15,538,659</u>	<u>\$ 533,696</u>	<u>\$ 16,072,355</u>
Administration	1,329,446	-	1,329,446
Total management and general	<u>\$ 1,329,446</u>	<u>\$ -</u>	<u>\$ 1,329,446</u>
Fundraising	140,476	-	140,476
Total fundraising	<u>\$ 140,476</u>	<u>\$ -</u>	<u>\$ 140,476</u>
Total program and support service costs	<u>\$ 17,008,581</u>	<u>\$ 533,696</u>	<u>\$ 17,542,277</u>

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Consolidating Statement of Functional Expenses, Continued Year Ended June 30, 2021

	Support Services				
	Management and General		Fundraising		
	St. Joseph's		St. Joseph's		
	Villa	Housing Corp.	Villa	Eliminations	Total Expenses
Employee costs	\$ 1,800,049	\$ -	\$ 529,151	\$ -	\$ 13,884,969
Professional fees	234,847	45,030	735	-	531,747
Equipment and supplies	190,380	-	12,196	-	909,125
Occupancy	228,111	-	-	(11,118)	1,162,623
Travel, meetings and conferences	9,011	-	1,439	-	97,764
Special assistance to individuals	-	-	-	-	1,815,987
Maintenance	197,443	-	-	-	36,809
Technology	31,202	-	12,395	-	-
Training	3,388	-	1,694	-	-
Miscellaneous	81,216	-	40,078	-	278,489
Depreciation	262,926	-	-	-	1,025,015
Total program expenses	\$ 3,038,573	\$ 45,030	\$ 597,688	\$ (11,118)	\$ 19,742,528
Administration	(1,329,446)	-	-	-	-
Total management and general	\$ (1,329,446)	\$ -	\$ -	\$ -	\$ -
Fundraising	-	-	(140,476)	-	-
Total fundraising	\$ -	\$ -	\$ (140,476)	\$ -	\$ -
Total program and support service costs	\$ 1,709,127	\$ 45,030	\$ 457,212	\$ (11,118)	\$ 19,742,528

See Independent Auditor's Report.

INTENTIONALLY LEFT BLANK

St. Joseph's Villa Schedules

June 30, 2022 and 2021

INTENTIONALLY LEFT BLANK

ST. JOSEPH'S VILLA

Statements of Financial Position, June 30, 2022 and 2021

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 4,554,146	\$ 6,238,811
Accounts receivable - net	2,315,615	2,151,488
Pledges receivable - net, current	346,658	688,487
Due from affiliate	13,737	-
Other current assets	174,808	187,767
Total current assets	<u>7,404,964</u>	<u>9,266,553</u>
Assets limited as to use:		
Cash held for capital campaign	413,047	503,108
Cash restricted by grants	1,766,941	1,660,621
Total assets limited as to use	<u>2,179,988</u>	<u>2,163,729</u>
Property and equipment - net	<u>14,868,826</u>	<u>15,399,891</u>
Other assets:		
Pledges receivable - net, long-term	99,686	541,839
Real estate held for investment	56,765	56,765
Total other assets	<u>156,451</u>	<u>598,604</u>
	<u>\$ 24,610,229</u>	<u>\$ 27,428,777</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable - trade	\$ 240,353	\$ 494,397
Due to affiliate	-	56,747
Accrued salaries and benefits	467,026	255,219
Accrued vacation	329,681	318,399
Deferred revenue	1,109	3,764
Construction loan payable - related party, current	341,520	444,607
Total current liabilities	<u>1,379,689</u>	<u>1,573,133</u>
Long term liabilities:		
Construction loan payable - related party	259,104	955,393
Total long term liabilities	<u>259,104</u>	<u>955,393</u>
Net assets:		
Without donor restrictions:		
Undesignated	21,136,036	23,171,172
Board-designated	56,765	56,765
Total without donor restrictions	21,192,801	23,227,937
With donor restrictions:		
Purpose and time	1,778,635	1,672,314
Total net assets	<u>22,971,436</u>	<u>24,900,251</u>
	<u>\$ 24,610,229</u>	<u>\$ 27,428,777</u>

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Statements of Activities Year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Program service fees and grants:			
Program service grants	\$ 2,391,606	\$ -	\$ 2,391,606
Program service fees	12,064,245	-	12,064,245
Contributions and other revenue:			
Contributions	2,018,890	135,468	2,154,358
Special events	84,710	-	84,710
Miscellaneous	34,705	-	34,705
Grants	-	1,423,438	1,423,438
Total support and revenue	16,594,156	1,558,906	18,153,062
Net assets released from restrictions	1,452,585	(1,452,585)	-
Expenses:			
Program services:			
Education	3,319,370	-	3,319,370
Developmental disabilities	6,863,816	-	6,863,816
Day treatment	1,093,038	-	1,093,038
Behavioral health services	1,546,140	-	1,546,140
Housing and homeless services	2,878,406	-	2,878,406
Other services	82,297	-	82,297
Total program services	15,783,067	-	15,783,067
Support services:			
Management and general	3,506,975	-	3,506,975
Fundraising	791,835	-	791,835
Total support services	4,298,810	-	4,298,810
Total expenses	20,081,877	-	20,081,877
Changes in net assets	(2,035,136)	106,321	(1,928,815)
Net assets, beginning of year	23,227,937	1,672,314	24,900,251
Net assets, end of year	\$ 21,192,801	\$ 1,778,635	\$ 22,971,436

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Statements of Activities, Continued Year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Program service fees and grants:			
Program service grants	\$ 3,465,183	\$ -	\$ 3,465,183
Program service fees	13,072,233	-	13,072,233
Contributions and other revenue:			
Contributions	1,830,399	620,840	2,451,239
Special events	62,681	-	62,681
Miscellaneous	122,316	-	122,316
Grants	<u>2,757,200</u>	<u>749,901</u>	<u>3,507,101</u>
Total support and revenue	<u>21,310,012</u>	<u>1,370,741</u>	<u>22,680,753</u>
Net assets released from restrictions	<u>8,027,352</u>	<u>(8,027,352)</u>	<u>-</u>
Expenses:			
Program services:			
Education	3,198,132	-	3,198,132
Developmental disabilities	5,965,615	-	5,965,615
Day treatment	1,053,218	-	1,053,218
Behavioral health services	1,361,827	-	1,361,827
Housing and homeless services	3,339,069	-	3,339,069
Other services	<u>620,798</u>	<u>-</u>	<u>620,798</u>
Total program services	<u>15,538,659</u>	<u>-</u>	<u>15,538,659</u>
Support services:			
Management and general	3,038,573	-	3,038,573
Fundraising	<u>597,688</u>	<u>-</u>	<u>597,688</u>
Total support services	<u>3,636,261</u>	<u>-</u>	<u>3,636,261</u>
Total expenses	<u>19,174,920</u>	<u>-</u>	<u>19,174,920</u>
Changes in net assets	10,162,444	(6,656,611)	3,505,833
Net assets, beginning of year	<u>13,065,493</u>	<u>8,328,925</u>	<u>21,394,418</u>
Net assets, end of year	<u>\$ 23,227,937</u>	<u>\$ 1,672,314</u>	<u>\$ 24,900,251</u>

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Statements of Functional Expenses Year Ended June 30, 2022

	Program Services			
	Education	Developmental Disabilities	Day Treatment	Behavioral Health Services
Employee costs	\$ 2,354,695	\$ 4,499,680	\$ 790,333	\$ 1,027,006
Professional fees	113,857	301,959	170,926	138,224
Equipment and supplies	179,915	565,523	3,325	130,515
Occupancy	279,452	602,377	30,153	129,226
Travel, meetings and conferences	7,809	22,170	1,874	2,976
Special assistance to individuals	55,118	61,682	10,434	4,838
Technology	121,725	128,949	33,290	25,120
Miscellaneous	9,677	117,313	26,631	17,322
Depreciation	197,122	564,163	26,072	70,913
Total program expenses	\$ 3,319,370	\$ 6,863,816	\$ 1,093,038	\$ 1,546,140
Administration	219,136	459,866	157,257	125,887
Total management and general	\$ 219,136	\$ 459,866	\$ 157,257	\$ 125,887
Fundraising	11,749	8,266	22,549	12,655
Total fundraising	\$ 11,749	\$ 8,266	\$ 22,549	\$ 12,655
Total program and support service costs	\$ 3,550,255	\$ 7,331,948	\$ 1,272,844	\$ 1,684,682

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Statements of Functional Expenses, Continued Year Ended June 30, 2022

			Support Services			
Housing and Homeless Services	Other Services	Total Program Services	Management and General	Fundraising	Total Support Services	Total
\$ 1,288,836	\$ 82,297	\$ 10,042,847	\$ 1,882,917	\$ 553,814	\$ 2,436,731	\$ 12,479,578
71,979	-	796,945	287,383	22,648	310,031	1,106,976
11,739	-	891,017	123,768	2,115	125,883	1,016,900
106,899	-	1,148,107	613,362	9,768	623,130	1,771,237
19,625	-	54,454	15,919	2,043	17,962	72,416
1,286,225	-	1,418,297	26,853	-	26,853	1,445,150
64,035	-	373,119	123,322	21,884	145,206	518,325
9,835	-	180,778	124,191	179,563	303,754	484,532
19,233	-	877,503	309,260	-	309,260	1,186,763
\$ 2,878,406	\$ 82,297	\$ 15,783,067	\$ 3,506,975	\$ 791,835	\$ 4,298,810	\$ 20,081,877
231,996	216,016	1,410,158	(1,494,977)	84,819	(1,410,158)	-
\$ 231,996	\$ 216,016	\$ 1,410,158	\$ (1,494,977)	\$ 84,819	\$ (1,410,158)	\$ -
45,043	5,201	105,463	45,886	(151,349)	(105,463)	-
\$ 45,043	\$ 5,201	\$ 105,463	\$ 45,886	\$ (151,349)	\$ (105,463)	\$ -
\$ 3,155,445	\$ 303,514	\$ 17,298,688	\$ 2,057,884	\$ 725,305	\$ 2,783,189	\$ 20,081,877

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Statements of Functional Expenses, Continued Year Ended June 30, 2021

	Program Services			
	Education	Developmental Disabilities	Day Treatment	Behavioral Health Services
Employee costs	\$ 2,272,667	\$ 4,237,790	\$ 892,868	\$ 918,287
Professional fees	3,642	24,535	4,768	33,320
Equipment and supplies	115,984	151,378	4,307	16,235
Occupancy	98,130	243,739	19,455	104,049
Travel, meetings and conferences	13,061	15,130	6,617	2,897
Special assistance to individuals	18,852	-	145	-
Maintenance	166,476	344,514	16,958	55,508
Recreation	70,618	58,532	-	25,956
Food service	101,825	333,640	-	94,700
Technology	79,502	81,212	68,389	18,807
Training	13,553	55,906	6,776	11,859
Miscellaneous	22,995	59,455	9,557	3,381
Depreciation	220,827	359,784	23,378	76,828
Total program expenses	\$ 3,198,132	\$ 5,965,615	\$ 1,053,218	\$ 1,361,827
Administration	332,332	317,616	198,531	135,283
Total management and general	\$ 332,332	\$ 317,616	\$ 198,531	\$ 135,283
Fundraising	29,229	36,598	-	3,248
Total fundraising	\$ 29,229	\$ 36,598	\$ -	\$ 3,248
Total program and support service costs	\$ 3,559,693	\$ 6,319,829	\$ 1,251,749	\$ 1,500,358

See Independent Auditor's Report.

ST. JOSEPH'S VILLA

Statements of Functional Expenses, Continued Year Ended June 30, 2021

			Support Services			
Housing and Homeless Services	Other Services	Total Program Services	Management and General	Fundraising	Total Support Services	Total
\$ 1,317,289	\$ 1,717,004	\$ 11,355,905	\$ 1,800,049	\$ 529,151	\$ 2,329,200	\$ 13,685,105
35,710	149,160	251,135	234,847	735	235,582	486,717
33,502	362,035	683,441	190,380	12,196	202,576	886,017
76,846	211,418	753,637	228,111	-	228,111	981,748
7,901	41,708	87,314	9,011	1,439	10,450	97,764
1,793,987	3,003	1,815,987	-	-	-	1,815,987
14,131	(795,030)	(197,443)	197,443	-	197,443	-
-	(155,106)	-	-	-	-	-
-	(530,165)	-	-	-	-	-
25,646	(317,153)	(43,597)	31,202	12,395	43,597	-
5,929	(99,105)	(5,082)	3,388	1,694	5,082	-
10,323	33,029	138,740	81,216	40,078	121,294	260,034
17,805	-	698,622	262,926	-	262,926	961,548
\$ 3,339,069	\$ 620,798	\$ 15,538,659	\$ 3,038,573	\$ 597,688	\$ 3,636,261	\$ 19,174,920
203,954	141,730	1,329,446	(1,329,446)	-	(1,329,446)	-
\$ 203,954	\$ 141,730	\$ 1,329,446	\$ (1,329,446)	\$ -	\$ (1,329,446)	\$ -
58,932	12,469	140,476	-	(140,476)	(140,476)	-
\$ 58,932	\$ 12,469	\$ 140,476	\$ -	\$ (140,476)	\$ (140,476)	\$ -
\$ 3,601,955	\$ 774,997	\$ 17,008,581	\$ 1,709,127	\$ 457,212	\$ 2,166,339	\$ 19,174,920

See Independent Auditor's Report.

INTENTIONALLY LEFT BLANK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

ST. JOSEPH'S VILLA

Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Pass- through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Direct Programs			
Continuum of Care Program	St. Joseph's Villa	14.267	437,003
Passed Through Henrico			
Community Development Block Grant	St. Joseph's Villa	14.218	14,026
Virginia Homeless Solutions Program	St. Joseph's Villa	14.231	36,176
Passed Through Richmond			
Community Development Block Grant	St. Joseph's Villa	14.218	12,330
Passed Through Hopewell Redevelopment Housing Authority			
Continuum of Care Program	St. Joseph's Villa	14.267	16,787
Passed Through Petersburg Redevelopment Housing Authority			
Continuum of Care Program	St. Joseph's Villa	14.267	10,725
Passed Through Commonwealth of Virginia			
Passed Through Department of Housing and Community Development			
Virginia Homeless Solutions Program	St. Joseph's Villa	14.231	447,354
Moving From Foster Care to Adulthood	St. Joseph's Villa	14.239	65,882
			<u>513,236</u>
Total U.S. Department of Housing and Urban Development			<u>1,040,283</u>
Federal Communications Commission			
USAC E-Rate	St. Joseph's Villa	32.004	12,000
CARES Act Grant	St. Joseph's Villa	32.004	36,257
			<u>\$ 1,088,540</u>

See Report of Independent Accountants.

ST. JOSEPH'S VILLA

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of St. Joseph's Villa under the programs of the federal government for the year ended June 30, 2022. This information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements and therefore are not intended to present the financial position, changes in net assets, or cash flows of St. Joseph's Villa.

St. Joseph's Villa has elected not to use the 10% de minimus indirect cost rate.

The accompanying schedule of expenditures of federal awards does not include the federal grant activity of St. Joseph's Villa Housing Corp., which was audited and reported on separately by other auditors whose report was dated September 30, 2022.

COMPLIANCE

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
St. Joseph's Villa
Richmond, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of St. Joseph's Villa (the "Organization"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 14, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Keith", with a stylized flourish at the end.

December 14, 2022
Glen Allen, Virginia

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees
St. Joseph's Villa
Richmond, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited St. Joseph's Villa's (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2022. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control over Compliance, Continued

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weakness or significant deficiencies in internal controls over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, not such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Keita", with a stylized flourish extending from the end.

December 14, 2022
Glen Allen, Virginia

ST. JOSEPH'S VILLA

Schedule of Findings and Questioned Costs Year Ended June 30, 2022

A. SUMMARY OF AUDIT RESULTS:

- (1) Unmodified opinion on the basic financial statements.
- (2) No material weaknesses or significant deficiencies in internal control were disclosed during the audit.
- (3) No noncompliance which is material to the financial statements was disclosed by the audit.
- (4) No material weaknesses or significant deficiencies relating to the audit of the major federal award programs were disclosed by the audit.
- (5) Unmodified opinion on compliance for major programs.
- (6) No audit findings were disclosed by the audit.
- (7) Major Programs:
 - 14.231 – Virginia Homeless Solutions Program
- (8) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (9) The auditee qualified as a low risk auditee.

B. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS:

None

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

None