

# St. Joseph's Villa

Consolidated Financial Statements

June 30, 2023 and 2022



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# ST. JOSEPH'S VILLA

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## 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, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022, of St. Joseph's Villa Housing Corp. ("HC"), a wholly-owned subsidiary, which statements reflect total assets of \$1,115,829 as of June 30, 2023, and \$1,159,904 as of June 30, 2022, and total revenues of \$708,341 for 2023 and \$662,994 for 2022. 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, 2023 and 2022, 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 28 through 46 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 February 9, 2024, 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.



February 9, 2024  
Glen Allen, Virginia

## ST. JOSEPH'S VILLA

### Consolidated Statements of Financial Position June 30, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 3,632,887	\$ 4,578,406
Accounts receivable - net	2,124,411	2,355,991
Pledges receivable - net, current	35,458	346,658
Due from affiliate	46,034	12,783
Other current assets	<u>236,403</u>	<u>183,355</u>
Total current assets	<u>6,075,193</u>	<u>7,477,193</u>
Assets limited as to use:		
Cash held for residents	16,550	16,040
Cash held in escrow	485,911	495,735
Cash held for capital campaign	682,571	413,047
Cash restricted for capital campaign	152,500	-
Cash restricted by grants	<u>1,253,564</u>	<u>1,766,941</u>
Total assets limited as to use	<u>2,591,096</u>	<u>2,691,763</u>
Property and equipment - net	<u>14,446,122</u>	<u>15,443,772</u>
Right-of-use operating lease assets, net	<u>270,973</u>	<u>-</u>
Other assets:		
Pledges receivable - net, long-term	1,054	99,686
Real estate held for investment	<u>56,765</u>	<u>56,765</u>
Total other assets	<u>57,819</u>	<u>156,451</u>
	<u>\$ 23,441,203</u>	<u>\$ 25,769,179</u>

See accompanying notes to consolidated financial statements.

## ST. JOSEPH'S VILLA

### Consolidated Statements of Financial Position, Continued June 30, 2023 and 2022

<u>Liabilities and Net Assets</u>	<u>2023</u>	<u>2022</u>
Current liabilities:		
Long-term debt - net, current	\$ 161,120	\$ 156,255
Accounts payable - trade	242,626	313,649
Accrued interest payable	4,750	5,150
Accrued salaries and benefits	642,250	474,595
Accrued vacation	334,151	337,629
Accrued other	1,681	2,157
Deferred revenue	3,190	5,105
Operating lease liabilities, current	153,803	-
Construction loan payable - related party, current	<u>-</u>	<u>341,520</u>
Total current liabilities	1,543,571	1,636,060
Long-term debt - net, less current portion	1,679,643	1,837,607
Operating lease liabilities, less current portion	118,775	-
Construction loan payable - related party	-	259,104
Funds held for residents	<u>15,905</u>	<u>15,128</u>
Total liabilities	<u>3,357,894</u>	<u>3,747,899</u>
Net assets:		
Without donor restrictions:		
Undesignated	18,608,786	20,185,880
Board-designated	<u>56,765</u>	<u>56,765</u>
Total without donor restrictions	18,665,551	20,242,645
With donor restrictions:		
Purpose and time	<u>1,417,758</u>	<u>1,778,635</u>
Total net assets	<u>20,083,309</u>	<u>22,021,280</u>
	<u>\$ 23,441,203</u>	<u>\$ 25,769,179</u>

See accompanying notes to consolidated financial statements.



## ST. JOSEPH'S VILLA

### Consolidated Statements of Activities Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Program service grants and fees:			
Program service grants	\$ 2,432,062	\$ -	\$ 2,432,062
Program service fees	13,622,128	-	13,622,128
Net rental income	645,106	-	645,106
Contributions and other revenue:			
Contributions	2,096,827	152,500	2,249,327
Grants	-	781,900	781,900
Special events - net	109,256	-	109,256
Miscellaneous	143,697	-	143,697
Total support and revenue	19,049,076	934,400	19,983,476
Net assets released from restrictions	1,295,277	(1,295,277)	-
Expenses:			
Program services:			
Education	3,436,991	-	3,436,991
Developmental disabilities	7,315,833	-	7,315,833
Day treatment	1,252,972	-	1,252,972
Behavioral health services	1,845,001	-	1,845,001
Community training	31,326	-	31,326
Housing and homeless services	3,022,159	-	3,022,159
Other services	78,772	-	78,772
Housing Corporation	589,483	-	589,483
Total program services	17,572,537	-	17,572,537
Support services:			
Management and general	3,621,380	-	3,621,380
Fundraising	727,530	-	727,530
Total support services	4,348,910	-	4,348,910
Total expenses	21,921,447	-	21,921,447
Change in net assets	(1,577,094)	(360,877)	(1,937,971)
Net assets, beginning of year	20,242,645	1,778,635	22,021,280
Net assets, end of year	\$ 18,665,551	\$ 1,417,758	\$ 20,083,309

See accompanying notes to consolidated financial statements.

## ST. JOSEPH'S VILLA

### Consolidated Statements of Activities, Continued 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.

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## ST. JOSEPH'S VILLA

### Consolidated Statements of Functional Expenses Year Ended June 30, 2023

	Program Services					
	Education	Developmental Disabilities	Day Treatment	Behavioral Health Services	Community Training	Housing and Homeless Services
Employee costs	\$ 2,225,367	\$ 4,817,933	\$ 924,758	\$ 1,229,071	\$ 27,213	\$ 1,310,347
Professional fees	113,599	334,411	200,732	147,330	66	91,350
Equipment and supplies	242,308	652,639	6,595	131,824	-	15,338
Occupancy	308,494	573,584	27,293	213,029	-	151,667
Travel, meetings and conferences	14,927	51,535	13,693	3,302	4,047	32,500
Special assistance to individuals	83,849	74,179	7,727	-	-	1,320,143
Maintenance	-	-	-	-	-	-
Technology	165,739	120,355	33,107	24,274	-	67,321
Miscellaneous	35,514	128,913	7,920	6,161	-	11,637
Depreciation	247,194	562,284	31,147	90,010	-	21,856
<b>Total program expenses</b>	<b>\$ 3,436,991</b>	<b>\$ 7,315,833</b>	<b>\$ 1,252,972</b>	<b>\$ 1,845,001</b>	<b>\$ 31,326</b>	<b>\$ 3,022,159</b>
Administration	234,729	493,830	169,943	133,875	-	250,901
<b>Total management and general</b>	<b>\$ 234,729</b>	<b>\$ 493,830</b>	<b>\$ 169,943</b>	<b>\$ 133,875</b>	<b>\$ -</b>	<b>\$ 250,901</b>
Fundraising	13,259	9,328	25,448	14,282	-	50,833
<b>Total fundraising</b>	<b>\$ 13,259</b>	<b>\$ 9,328</b>	<b>\$ 25,448</b>	<b>\$ 14,282</b>	<b>\$ -</b>	<b>\$ 50,833</b>
<b>Total program and support service costs</b>	<b>\$ 3,684,979</b>	<b>\$ 7,818,991</b>	<b>\$ 1,448,363</b>	<b>\$ 1,993,158</b>	<b>\$ 31,326</b>	<b>\$ 3,323,893</b>

See accompanying notes to consolidated financial statements.

## ST. JOSEPH'S VILLA

### Consolidated Statements of Functional Expenses, Continued Year Ended June 30, 2023

Support Services							
Management and General							
Other Services	Housing Corp.	Total Program Services	St. Joseph's		Fundraising	Total Support Services	Total
			Villa	Housing Corp.			
\$ 66,229	\$ 212,417	\$ 10,813,335	\$ 2,267,658	\$ -	554,669	\$ 2,822,327	\$ 13,635,662
-	-	887,488	312,306	51,844	21,557	385,707	1,273,195
-	41,716	1,090,420	35,408	-	3,105	38,513	1,128,933
12,543	158,573	1,445,183	423,927	-	31,693	455,620	1,900,803
-	-	120,004	17,074	-	3,950	21,024	141,028
-	-	1,485,898	-	-	250	250	1,486,148
-	65,996	65,996	-	-	-	-	65,996
-	-	410,796	96,060	-	25,770	121,830	532,626
-	22,735	212,880	179,774	-	77,164	256,938	469,818
-	88,046	1,040,537	237,329	-	9,372	246,701	1,287,238
<b>\$ 78,772</b>	<b>\$ 589,483</b>	<b>\$ 17,572,537</b>	<b>\$ 3,569,536</b>	<b>\$ 51,844</b>	<b>\$ 727,530</b>	<b>\$ 4,348,910</b>	<b>\$ 21,921,447</b>
237,042	-	1,520,320	(1,618,184)	-	97,864	(1,520,320)	-
<b>\$ 237,042</b>	<b>\$ -</b>	<b>\$ 1,520,320</b>	<b>\$ (1,618,184)</b>	<b>\$ -</b>	<b>\$ 97,864</b>	<b>\$ (1,520,320)</b>	<b>\$ -</b>
5,869	-	119,019	51,782	-	(170,801)	(119,019)	-
<b>\$ 5,869</b>	<b>\$ -</b>	<b>\$ 119,019</b>	<b>\$ 51,782</b>	<b>\$ -</b>	<b>\$ (170,801)</b>	<b>\$ (119,019)</b>	<b>\$ -</b>
<b>\$ 321,683</b>	<b>\$ 589,483</b>	<b>\$ 19,211,876</b>	<b>\$ 2,003,134</b>	<b>\$ 51,844</b>	<b>\$ 654,593</b>	<b>\$ 2,709,571</b>	<b>\$ 21,921,447</b>

See accompanying notes to consolidated financial statements.

## ST. JOSEPH'S VILLA

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

	Program Services				
		Developmental		Behavioral	Housing and
	Education	Disabilities	Day Treatment	Health Services	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
<b>Total program expenses</b>	<b><u>\$ 3,319,370</u></b>	<b><u>\$ 6,863,816</u></b>	<b><u>\$ 1,093,038</u></b>	<b><u>\$ 1,546,140</u></b>	<b><u>\$ 2,878,406</u></b>
Administration	219,136	459,866	157,257	125,887	231,996
<b>Total management and general</b>	<b><u>\$ 219,136</u></b>	<b><u>\$ 459,866</u></b>	<b><u>\$ 157,257</u></b>	<b><u>\$ 125,887</u></b>	<b><u>\$ 231,996</u></b>
Fundraising	11,749	8,266	22,549	12,655	45,043
<b>Total fundraising</b>	<b><u>\$ 11,749</u></b>	<b><u>\$ 8,266</u></b>	<b><u>\$ 22,549</u></b>	<b><u>\$ 12,655</u></b>	<b><u>\$ 45,043</u></b>
<b>Total program and support service costs</b>	<b><u>\$ 3,550,255</u></b>	<b><u>\$ 7,331,948</u></b>	<b><u>\$ 1,272,844</u></b>	<b><u>\$ 1,684,682</u></b>	<b><u>\$ 3,155,445</u></b>

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		Fundraising	Total Support Services	Total		
			Villa	Housing Corp.					
\$ 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		
<b><u>\$ 82,297</u></b>	<b><u>\$ 539,909</u></b>	<b><u>\$ 16,322,976</u></b>	<b><u>\$ 3,506,975</u></b>	<b><u>\$ 44,642</u></b>	<b><u>\$ 791,835</u></b>	<b><u>\$ 4,343,452</u></b>	<b><u>\$ 20,666,428</u></b>		
216,016	-	1,410,158	(1,494,977)	-	84,819	(1,410,158)	-		
<b><u>\$ 216,016</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,410,158</u></b>	<b><u>\$ (1,494,977)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 84,819</u></b>	<b><u>\$ (1,410,158)</u></b>	<b><u>\$ -</u></b>		
5,201	-	105,463	45,886	-	(151,349)	(105,463)	-		
<b><u>\$ 5,201</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 105,463</u></b>	<b><u>\$ 45,886</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (151,349)</u></b>	<b><u>\$ (105,463)</u></b>	<b><u>\$ -</u></b>		
<b><u>\$ 303,514</u></b>	<b><u>\$ 539,909</u></b>	<b><u>\$ 17,838,597</u></b>	<b><u>\$ 2,057,884</u></b>	<b><u>\$ 44,642</u></b>	<b><u>\$ 725,305</u></b>	<b><u>\$ 2,827,831</u></b>	<b><u>\$ 20,666,428</u></b>		

See accompanying notes to consolidated financial statements.

## ST. JOSEPH'S VILLA

### Consolidated Statements of Cash Flows Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ (1,937,971)	\$ (1,861,824)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	1,287,238	1,271,616
Amortization of deferred financing costs	3,156	3,407
Loss on disposal of property and equipment	-	11,336
Non-cash lease expense	1,605	-
Changes in assets and liabilities:		
Accounts receivable - net	231,580	(182,734)
Pledges receivable - net	409,832	783,982
Other current assets	(53,048)	22,266
Due from affiliate	(33,251)	(12,783)
Accounts payable - trade	(71,023)	(201,715)
Due to affiliate	-	(56,747)
Accrued interest payable	(400)	(388)
Accrued salaries and benefits	167,655	212,069
Accrued vacation	(3,478)	7,511
Accrued other	(476)	(15,681)
Deferred revenue	(1,915)	1,233
Funds held for residents	777	(645)
Net cash used in operating activities	281	(19,097)
Cash flows used in investing activities:		
Purchase of property and equipment	(288,297)	(678,034)
Cash flows from financing activities:		
Principal payments on long-term debt	(156,255)	(151,536)
Payments on construction loan from related party	(600,624)	(799,376)
Net cash used in financing activities	(756,879)	(950,912)

See accompanying notes to consolidated financial statements.



## ST. JOSEPH'S VILLA

### Consolidated Statements of Cash Flows, Continued Years Ended June 30, 2023 and 2022

	2023	2022
Net change in cash	\$ (1,044,895)	\$ (1,648,043)
Cash, beginning of year	7,270,169	8,918,212
Cash, end of year	\$ 6,225,274	\$ 7,270,169
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 69,200	\$ 74,204
Non-cash transactions:		
Operating lease assets obtained in exchange for lease liabilities	\$ 420,768	\$ -
Reconciliation to Consolidated Statements of Financial Position:		
Cash and cash equivalents	\$ 3,632,887	\$ 4,578,406
Cash held for residents	16,550	16,040
Cash held in escrow	485,911	495,735
Cash held for capital campaign	682,571	413,047
Cash restricted for capital campaign	152,500	-
Cash restricted by grants	1,253,564	1,766,941
	\$ 6,223,983	\$ 7,270,169

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, 2023 and 2022 (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, 2023 and 2022.

## 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 \$7,463 as of June 30, 2023, and \$2,210 as of June 30, 2022.

**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 regularly 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. There was no allowance for doubtful pledges as of June 30, 2023. The allowance for doubtful pledges was \$4,240 as of June 30, 2022.

**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 2023 or 2022.

**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 \$41,952 as of June 30, 2023, and \$38,796 as of June 30, 2022. Amortization expense was \$3,156 for 2023 and \$3,407 for 2022. 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 \$1,834,731 at June 30, 2023, \$2,062,554 at June 30, 2022, and \$1,901,954 at June 30, 2021. 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 \$3,190 at June 30, 2023, \$5,105 at June 30, 2022, and \$3,872 at June 30, 2021.

## 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 \$70,303 for 2023 and \$39,892 for 2022.

**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, 2023 and 2022. The Organization is not currently under audit by any tax jurisdiction.

**Adoption of New Accounting Standard:** Effective July 1, 2022, the Organization adopted FASB ASC 842, *Leases*. Prior to the adoption of the new lease standard, only leases classified as capital leases under ASC 840, *Leases*, were recorded in the consolidated statement of financial position. The new standard establishes a right of use ("ROU") model that requires a lessee to record an ROU asset and a lease liability on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into income on a straight-line basis over the lease term. The new lease standard requires a modified retrospective transition approach.

## ST. JOSEPH'S VILLA

### Notes to Consolidated Financial Statements, Continued

#### 1. Summary of Significant Accounting Policies, Continued:

**Adoption of New Accounting Standard, Continued:** The Organization elected to adopt the package of practical expedients available under the transition guidance within the new standard. This package relieves the requirement to reassess prior conclusions about lease identification, lease classification, or initial direct lease costs for existing or expiring leases at the point of adoption. The adoption of ASC 842 resulted in the recognition of an operating lease ROU asset and operating lease liability of \$420,768 as of July 1, 2022. The adoption of this new standard did not have a material effect on the accompanying consolidated statements of activities or cash flows. The adoption of this new standard did not have a material impact on how the Organization accounts for the leases for which it is the lessor.

The right of use assets and lease liabilities are initially measured at the present value of future lease payments, discounted using a risk-free rate (in leases for which the rate implicit in the lease cannot be readily determined) as of the lease commencement date or the effective date, whichever is later. The right of use assets and lease liabilities are calculated to include options to extend or terminate the lease when the Organization determines that it is reasonably certain it will exercise those options. In making those determinations, the Organization considers various existing economic and market factors, business strategies, as well as the nature, length, and terms of the lease agreements.

Certain leases may include variable lease payments as well as variable payments for items such as property taxes, insurance, maintenance, and other operating expenses associated with the leased assets. These variable payments are excluded from the measurement of the Organization's ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments are incurred. The Organization has made the accounting policy election not to recognize ROU assets and lease liabilities that arise from short-term leases for any class of underlying asset.

**Subsequent Events:** Management has evaluated subsequent events through February 9, 2024, the date the consolidated financial statements were available to be issued, and has determined that, other than as disclosed in Note 6 and Note 11, 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 \$478,941 in 2023 and \$449,119 in 2022.

## 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 4.13% at June 30, 2023, and 3.01% at June 30, 2022. Future cash flows are expected to be received as follows at June 30:

	2023	2022
Amounts due in:		
Less than one year	\$ 35,458	\$ 350,898
One to five years	1,165	105,823
	36,623	456,721
Less:		
Allowance for doubtful pledges	-	(4,240)
Discount on pledges receivable	(111)	(6,137)
	<u>\$ 36,512</u>	<u>\$ 446,344</u>

#### 4. Property and Equipment:

Property and equipment consisted of the following at June 30:

	2023	2022
Land	\$ 899,678	\$ 899,678
Land improvements	8,673,370	8,673,370
Buildings and storage sheds	22,218,398	22,181,939
Furniture and equipment	625,895	359,774
Computer equipment	585,426	597,978
Vehicles	349,907	349,907
Construction in process	44,883	59,168
	33,397,557	33,121,814
Less accumulated depreciation	(18,951,435)	(17,678,042)
	<u>\$ 14,446,122</u>	<u>\$ 15,443,772</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 \$36,512 at June 30, 2023, and \$446,344 at June 30, 2022, using Level 3 criteria. There were no liabilities measured at fair value on a recurring basis at June 30, 2023 and 2022.

Pledges receivable increased by \$4,280 during 2023 and \$104,000 during 2022 due to new pledges received and decreased by \$424,115 during 2023 and \$885,285 during 2022 due to collections on outstanding pledges.



## ST. JOSEPH'S VILLA

### Notes to Consolidated Financial Statements, Continued

#### 6. Line of Credit:

The Organization had 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% which matured on June 30, 2022. Effective July 28, 2022, the Organization has available 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 of credit is secured by substantially all assets of the Organization. There were no borrowings on either line of credit during 2023 or 2022. The line of credit matured on July 28, 2023. Subsequent to June 30, 2023, the Organization amended their line of credit to extend the date of maturity to July 28, 2024.

#### 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 \$1,856,747 as of June 30, 2023, and was \$2,013,002 of June 30, 2022.

The following are the components of the mortgage as of June 30, 2023 and 2022:

	2023	2022
Mortgage payable	\$ 1,856,747	\$ 2,013,002
Debt issuance costs, net of \$41,952 and \$38,796 accumulated amortization, respectively	(15,984)	(19,140)
	1,840,763	1,993,862
Less current portion	(161,120)	(156,255)
	\$ 1,679,643	\$ 1,837,607

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 \$3,156 for 2023 and \$3,407 for 2022.

## 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:

Year Ending June 30,	Amount
2024	\$ 161,120
2025	166,136
2026	171,309
2027	176,643
2028	182,143
Thereafter	<u>999,396</u>
	<u>\$ 1,856,747</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 \$1,201,495 during 2023 and \$1,244,971 during 2022.

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 \$24,156 for 2023 and \$20,587 for 2022, which is included within miscellaneous expense in the accompanying consolidated statements of functional expenses. In 2023, the Villa repaid the Foundation \$600,624, the balance of the loan; in 2022, the Villa repaid the Foundation \$799,376.

At June 30, 2023, the Organization had a net receivable from the Foundation of \$46,034 for expense reimbursement. At June 30, 2022, the Organization did not have any payables to or receivables from the Foundation.

#### 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 \$230,752 for 2023 and \$223,432 for 2022. 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:

##### 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. The executive retired from the Organization effective June 30, 2023, and payments began in July 2023.

#### 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 and land for the purposes of advertising that is included in property and equipment – net in the accompanying consolidated financial statements. The leased office space terminated June 2022, but 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 \$24,918 for 2024, \$25,575 for 2025, \$14,454 for 2026, and \$1,500 for 2027.

## ST. JOSEPH'S VILLA

### Notes to Consolidated Financial Statements, Continued

#### 12. Leases, Continued:

The Organization leases equipment and office space under various non-cancelable operating lease agreements. The lease terms expire over the next one to three years, and certain leases contain renewal options. Some of the leases include scheduled rent increases at specified intervals during the terms of the leases. All leases provide for monthly payments which are recognized on a straight-line basis over the life of the lease. Under certain leases, the Company pays taxes, insurance, and other expenses.

Lease expense was \$52,184 for 2023 for leased equipment. Lease expense was \$109,100 for 2023 for leased office space. Cash paid for leases amounted to \$157,239 in 2023.

Future minimum undiscounted payments under non-cancellable operating leases at June 30, 2023, are as follows:

Year	Amount
2024	\$ 159,380
2025	105,404
2026	<u>15,261</u>
Undiscounted lease payments	280,045
Less discount	<u>7,467</u>
Total operating lease liabilities	<u>\$ 272,578</u>

The weighted average remaining lease term and discount rate for the operating leases was 1.89 years and 2.85%, respectively.

## ST. JOSEPH'S VILLA

### Notes to Consolidated Financial Statements, Continued

#### 13. Net Assets With Donor Restrictions:

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

	<u>2023</u>	<u>2022</u>
RiseUP capital campaign	\$ 11,694	\$ 11,694
Cottage 5 capital campaign	152,500	-
Program service needs	<u>1,252,273</u>	<u>1,766,941</u>
	<u>\$ 1,416,467</u>	<u>\$ 1,778,635</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>2023</u>	<u>2022</u>
RiseUP capital campaign	\$ -	\$ 135,468
Grants and contributions	<u>1,300,574</u>	<u>1,317,117</u>
	<u>\$ 1,300,574</u>	<u>\$ 1,452,585</u>

#### 14. Board-Designated Net Assets:

Board-designated net assets of \$56,765 at June 30, 2023 and 2022 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, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 3,632,887	\$ 4,578,406
Accounts receivable - net	2,124,411	2,355,991
Pledges receivable - net	<u>36,512</u>	<u>446,344</u>
 Total financial assets	 5,793,810	 7,380,741
 Less amounts not available to be used within one year:		
Pledges receivable - net, noncurrent	<u>1,054</u>	<u>99,686</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 5,792,756</u>	 <u>\$ 7,281,055</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 \$990,427 for the fiscal year ending June 30, 2024 (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, 2023, and September 30, 2022. 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. Pending Accounting Guidance:

**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.

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**SUPPLEMENTAL INFORMATION**

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Consolidating Schedules

June 30, 2023

## ST. JOSEPH'S VILLA

### Consolidating Statement of Financial Position June 30, 2023

<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	\$ 3,618,532	\$ 14,355	\$ -	\$ 3,632,887
Accounts receivable - net	2,091,985	32,426	-	2,124,411
Pledges receivable - net, current	35,458	-	-	35,458
Due from affiliate	101,480	-	(55,446)	46,034
Other current assets	<u>209,862</u>	<u>26,541</u>	<u>-</u>	<u>236,403</u>
Total current assets	<u>6,057,317</u>	<u>73,322</u>	<u>(55,446)</u>	<u>6,075,193</u>
Assets limited as to use:				
Cash held for residents	-	16,550	-	16,550
Cash held in escrow	-	485,911	-	485,911
Cash held for capital campaign	682,571	-	-	682,571
Cash restricted for capital campaign	152,500	-	-	152,500
Cash restricted by grants	<u>1,253,564</u>	<u>-</u>	<u>-</u>	<u>1,253,564</u>
Total assets limited as to use	<u>2,088,635</u>	<u>502,461</u>	<u>-</u>	<u>2,591,096</u>
Property and equipment - net	<u>13,941,556</u>	<u>504,566</u>	<u>-</u>	<u>14,446,122</u>
Right-of-use operating lease assets, net	<u>270,973</u>	<u>35,480</u>	<u>(35,480)</u>	<u>270,973</u>
Other assets:				
Pledges receivable - net, long-term	1,054	-	-	1,054
Real estate held for investment	<u>56,765</u>	<u>-</u>	<u>-</u>	<u>56,765</u>
Total other assets	<u>57,819</u>	<u>-</u>	<u>-</u>	<u>57,819</u>
	<u>\$ 22,416,300</u>	<u>\$ 1,115,829</u>	<u>\$ (90,926)</u>	<u>\$ 23,441,203</u>

See Independent Auditor's Report.

## ST. JOSEPH'S VILLA

### Consolidating Statement of Financial Position, Continued June 30, 2023

<u>Liabilities and Net Assets</u>	St. Joseph's Villa	Housing Corp.	Eliminations	Consolidated Total
Current liabilities:				
Long-term debt - net, current	\$ -	\$ 161,120	\$ -	\$ 161,120
Accounts payable - trade	197,702	99,829	(54,905)	242,626
Accrued interest payable	-	4,750	-	4,750
Accrued salaries and benefits	642,250	-	-	642,250
Accrued vacation	324,158	9,993	-	334,151
Accrued other	-	1,681	-	1,681
Deferred revenue	825	2,365	-	3,190
Operating lease liabilities, current	<u>153,803</u>	<u>12,149</u>	<u>(12,149)</u>	<u>153,803</u>
 Total current liabilities	 1,318,738	 291,887	 (67,054)	 1,543,571
 Long-term debt - net	 -	 1,679,643	 -	 1,679,643
Operating lease liabilities, less current portion	118,775	23,872	(23,872)	118,775
Funds held for residents	<u>-</u>	<u>15,905</u>	<u>-</u>	<u>15,905</u>
 Total liabilities	 <u>1,437,513</u>	 <u>2,011,307</u>	 <u>(90,926)</u>	 <u>3,357,894</u>
Net assets (deficit):				
Without donor restrictions:				
Undesignated	19,504,264	(895,478)	-	18,608,786
Board designated	<u>56,765</u>	<u>-</u>	<u>-</u>	<u>56,765</u>
Total without donor restrictions	19,561,029	(895,478)	-	18,665,551
With donor restrictions:				
Purpose and time	<u>1,417,758</u>	<u>-</u>	<u>-</u>	<u>1,417,758</u>
 Total net assets (deficit)	 <u>20,978,787</u>	 <u>(895,478)</u>	 <u>-</u>	 <u>20,083,309</u>
	<u>\$ 22,416,300</u>	<u>\$ 1,115,829</u>	<u>\$ (90,926)</u>	<u>\$ 23,441,203</u>

See Independent Auditor's Report.

## ST. JOSEPH'S VILLA

### Consolidating Statement of Activities Year Ended June 30, 2023

	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	\$ 2,432,062	\$ -	\$ -	\$ 2,432,062
Program service fees	13,622,128	-	-	13,622,128
Net rental income	-	645,106	-	645,106
Contributions and other revenue:				
Contributions	2,096,827	-	-	2,096,827
Special events - net	109,256	-	-	109,256
Miscellaneous	92,798	63,235	(12,336)	143,697
Total revenues and support	<u>18,353,071</u>	<u>708,341</u>	<u>(12,336)</u>	<u>19,049,076</u>
Net assets released from restrictions	<u>1,295,277</u>	<u>-</u>	<u>-</u>	<u>1,295,277</u>
Expenses:				
Program services:				
Education	3,436,991	-	-	3,436,991
Developmental disabilities	7,315,833	-	-	7,315,833
Day treatment	1,252,972	-	-	1,252,972
Behavioral health services	1,845,001	-	-	1,845,001
Community training	31,326	-	-	31,326
Housing and homeless services	3,022,159	-	-	3,022,159
Other services	78,772	-	-	78,772
Housing Corporation	-	601,819	(12,336)	589,483
Support services:				
Management and general	3,569,536	51,844	-	3,621,380
Fundraising	727,530	-	-	727,530
Total expenses	<u>21,280,120</u>	<u>653,663</u>	<u>(12,336)</u>	<u>21,921,447</u>
Changes in net assets without donor restrictions	<u>(1,631,772)</u>	<u>54,678</u>	<u>-</u>	<u>(1,577,094)</u>

See Independent Auditor's Report.

## ST. JOSEPH'S VILLA

### Consolidating Statement of Activities, Continued Year Ended June 30, 2023

	St. Joseph's Villa	Housing Corp.	Eliminations	Consolidated Total
Net assets with donor restrictions:				
Revenues and support:				
Contributions	\$ 152,500	\$ -	\$ -	\$ 152,500
Grants	<u>781,900</u>	<u>-</u>	<u>-</u>	<u>781,900</u>
Total revenues and support	<u>934,400</u>	<u>-</u>	<u>-</u>	<u>934,400</u>
Net assets released from restrictions	<u>(1,295,277)</u>	<u>-</u>	<u>-</u>	<u>(1,295,277)</u>
Changes in net assets with donor restrictions	<u>(360,877)</u>	<u>-</u>	<u>-</u>	<u>(360,877)</u>
Change in net assets	(1,992,649)	54,678	-	(1,937,971)
Net assets (deficit), beginning of year	<u>22,971,436</u>	<u>(950,156)</u>	<u>-</u>	<u>22,021,280</u>
Net assets (deficit), end of year	<u>\$ 20,978,787</u>	<u>\$ (895,478)</u>	<u>\$ -</u>	<u>\$ 20,083,309</u>

See Independent Auditor's Report.

## ST. JOSEPH'S VILLA

### Consolidating Statement of Functional Expenses Year Ended June 30, 2023

	Program Services		
	St. Joseph's Villa	Housing Corp.	Total Program Services
Employee costs	\$ 10,600,918	\$ 212,417	\$ 10,813,335
Professional fees	887,488	-	887,488
Equipment and supplies	1,048,704	41,716	1,090,420
Occupancy	1,286,610	170,909	1,457,519
Travel, meetings and conferences	120,004	-	120,004
Special assistance to individuals	1,485,898	-	1,485,898
Maintenance	-	65,996	65,996
Technology	410,796	-	410,796
Miscellaneous	190,145	22,735	212,880
Depreciation	952,491	88,046	1,040,537
<b>Total program expenses</b>	<b><u>\$ 16,983,054</u></b>	<b><u>\$ 601,819</u></b>	<b><u>\$ 17,584,873</u></b>
Administration	1,520,320	-	1,520,320
<b>Total management and general</b>	<b><u>\$ 1,520,320</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,520,320</u></b>
Fundraising	119,019	-	119,019
<b>Total fundraising</b>	<b><u>\$ 119,019</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 119,019</u></b>
<b>Total program and support service costs</b>	<b><u>\$ 18,622,393</u></b>	<b><u>\$ 601,819</u></b>	<b><u>\$ 19,224,212</u></b>

See Independent Auditor's Report.



## ST. JOSEPH'S VILLA

### Consolidating Statement of Functional Expenses, Continued Year Ended June 30, 2023

	Support Services				
	Management and General		Fundraising		Total Expenses
	St. Joseph's Villa	Housing Corp.	St. Joseph's Villa	Eliminations	
Employee costs	\$ 2,267,658	\$ -	\$ 554,669	\$ -	\$ 13,635,662
Professional fees	312,306	51,844	21,557	-	1,273,195
Equipment and supplies	35,408	-	3,105	-	1,128,933
Occupancy	423,927	-	31,693	(12,336)	1,900,803
Travel, meetings and conferences	17,074	-	3,950	-	141,028
Special assistance to individuals	-	-	250	-	1,486,148
Maintenance	-	-	-	-	65,996
Technology	96,060	-	25,770	-	532,626
Miscellaneous	179,774	-	77,164	-	469,818
Depreciation	237,329	-	9,372	-	1,287,238
<b>Total program expenses</b>	<b>\$ 3,569,536</b>	<b>\$ 51,844</b>	<b>\$ 727,530</b>	<b>\$ (12,336)</b>	<b>\$ 21,921,447</b>
Administration	(1,618,184)	-	97,864	-	-
<b>Total management and general</b>	<b>\$ (1,618,184)</b>	<b>\$ -</b>	<b>\$ 97,864</b>	<b>\$ -</b>	<b>\$ -</b>
Fundraising	51,782	-	(170,801)	-	-
<b>Total fundraising</b>	<b>\$ 51,782</b>	<b>\$ -</b>	<b>\$ (170,801)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total program and support service costs</b>	<b>\$ 2,003,134</b>	<b>\$ 51,844</b>	<b>\$ 654,593</b>	<b>\$ (12,336)</b>	<b>\$ 21,921,447</b>

See Independent Auditor's Report.

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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	174,808	8,547	-	183,355
	<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	1,766,941	-	-	1,766,941
	<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	56,765	-	-	56,765
	<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>
<b>Current liabilities:</b>				
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
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>
<b>Net assets (deficit):</b>				
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			Consolidated
	Villa	Housing Corp.	Eliminations	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
	<u>16,594,156</u>	<u>662,994</u>	<u>(11,452)</u>	<u>17,245,698</u>
Net assets released from restrictions	<u>1,452,585</u>	<u>-</u>	<u>-</u>	<u>1,452,585</u>
Expenses and losses:				
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
	<u>20,081,877</u>	<u>596,003</u>	<u>(11,452)</u>	<u>20,666,428</u>
Changes in net assets	<u>(2,035,136)</u>	<u>66,991</u>	<u>-</u>	<u>(1,968,145)</u>

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>
 Changes 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		Total Program Services
	St. Joseph's Villa	Housing Corp.	
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
<b>Total program expenses</b>	<b>\$ 15,783,067</b>	<b>\$ 551,361</b>	<b>\$ 16,334,428</b>
Administration	1,410,158	-	1,410,158
<b>Total management and general</b>	<b>\$ 1,410,158</b>	<b>\$ -</b>	<b>\$ 1,410,158</b>
Fundraising	105,463	-	105,463
<b>Total fundraising</b>	<b>\$ 105,463</b>	<b>\$ -</b>	<b>\$ 105,463</b>
<b>Total program and support service costs</b>	<b>\$ 17,298,688</b>	<b>\$ 551,361</b>	<b>\$ 17,850,049</b>

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
<b>Total program expenses</b>	<b>\$ 3,506,975</b>	<b>\$ 44,642</b>	<b>\$ 791,835</b>	<b>\$ (11,452)</b>	<b>\$ 20,666,428</b>
Administration	(1,494,977)	-	84,819	-	-
<b>Total management and general</b>	<b>\$ (1,494,977)</b>	<b>\$ -</b>	<b>\$ 84,819</b>	<b>\$ -</b>	<b>\$ -</b>
Fundraising	45,886	-	(151,349)	-	-
<b>Total fundraising</b>	<b>\$ 45,886</b>	<b>\$ -</b>	<b>\$ (151,349)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total program and support service costs</b>	<b>\$ 2,057,884</b>	<b>\$ 44,642</b>	<b>\$ 725,305</b>	<b>\$ (11,452)</b>	<b>\$ 20,666,428</b>

See Independent Auditor's Report.

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St. Joseph's Villa Schedules

June 30, 2023 and 2022

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## ST. JOSEPH'S VILLA

### Statements of Financial Position, June 30, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 3,618,532	\$ 4,554,146
Accounts receivable - net	2,091,985	2,315,615
Pledges receivable - net, current	35,458	346,658
Due from affiliate	101,480	13,737
Other current assets	209,862	174,808
Total current assets	6,057,317	7,404,964
Assets limited as to use:		
Cash held for capital campaign	682,571	413,047
Cash restricted for capital campaign	152,500	-
Cash restricted by grants	1,253,564	1,766,941
Total assets limited as to use	2,088,635	2,179,988
Property and equipment - net	13,941,556	14,868,826
Right-of-use operating lease assets, net	270,973	-
Other assets:		
Pledges receivable - net, long-term	1,054	99,686
Real estate held for investment	56,765	56,765
Total other assets	57,819	156,451
	\$ 22,416,300	\$ 24,610,229
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable - trade	\$ 197,702	\$ 240,353
Accrued salaries and benefits	642,250	467,026
Accrued vacation	324,158	329,681
Deferred revenue	825	1,109
Operating lease liabilities, current	153,803	-
Construction loan payable - related party, current	-	341,520
Total current liabilities	1,318,738	1,379,689
Long term liabilities:		
Operating lease liabilities, less current portion	118,775	-
Construction loan payable - related party	-	259,104
Total long term liabilities	118,775	259,104
Net assets:		
Without donor restrictions:		
Undesignated	19,504,264	21,136,036
Board-designated	56,765	56,765
Total without donor restrictions	19,561,029	21,192,801
With donor restrictions:		
Purpose and time	1,417,758	1,778,635
Total net assets	20,978,787	22,971,436
	\$ 22,416,300	\$ 24,610,229

See Independent Auditor's Report.

## ST. JOSEPH'S VILLA

Statements of Activities  
Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Program service fees and grants:			
Program service grants	\$ 2,432,062	\$ -	\$ 2,432,062
Program service fees	13,622,128	-	13,622,128
Contributions and other revenue:			
Contributions	2,096,827	152,500	2,249,327
Special events	109,256	-	109,256
Miscellaneous	92,798	-	92,798
Grants	-	781,900	781,900
Total support and revenue	18,353,071	934,400	19,287,471
Net assets released from restrictions	1,295,277	(1,295,277)	-
Expenses:			
Program services:			
Education	3,436,991	-	3,436,991
Developmental disabilities	7,315,833	-	7,315,833
Day treatment	1,252,972	-	1,252,972
Behavioral health services	1,845,001	-	1,845,001
Community training	31,326	-	31,326
Housing and homeless services	3,022,159	-	3,022,159
Other services	78,772	-	78,772
Total program services	16,983,054	-	16,983,054
Support services:			
Management and general	3,569,536	-	3,569,536
Fundraising	727,530	-	727,530
Total support services	4,297,066	-	4,297,066
Total expenses	21,280,120	-	21,280,120
Changes in net assets	(1,631,772)	(360,877)	(1,992,649)
Net assets, beginning of year	21,192,801	1,778,635	22,971,436
Net assets, end of year	\$ 19,561,029	\$ 1,417,758	\$ 20,978,787

See Independent Auditor's Report.

**ST. JOSEPH'S VILLA**

Statements of Activities, Continued  
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	<u>-</u>	<u>1,423,438</u>	<u>1,423,438</u>
Total support and revenue	<u>16,594,156</u>	<u>1,558,906</u>	<u>18,153,062</u>
Net assets released from restrictions	<u>1,452,585</u>	<u>(1,452,585)</u>	<u>-</u>
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	<u>82,297</u>	<u>-</u>	<u>82,297</u>
Total program services	<u>15,783,067</u>	<u>-</u>	<u>15,783,067</u>
Support services:			
Management and general	3,506,975	-	3,506,975
Fundraising	<u>791,835</u>	<u>-</u>	<u>791,835</u>
Total support services	<u>4,298,810</u>	<u>-</u>	<u>4,298,810</u>
Total expenses	<u>20,081,877</u>	<u>-</u>	<u>20,081,877</u>
Changes in net assets	(2,035,136)	106,321	(1,928,815)
Net assets, beginning of year	<u>23,227,937</u>	<u>1,672,314</u>	<u>24,900,251</u>
Net assets, end of year	<u>\$ 21,192,801</u>	<u>\$ 1,778,635</u>	<u>\$ 22,971,436</u>

See Independent Auditor's Report.

## ST. JOSEPH'S VILLA

### Statements of Functional Expenses Year Ended June 30, 2023

	Program Services				
		Developmental		Behavioral	Community
	Education	Disabilities	Day Treatment	Health Services	Training
Employee costs	\$ 2,225,367	\$ 4,817,933	\$ 924,758	\$ 1,229,071	\$ 27,213
Professional fees	113,599	334,411	200,732	147,330	66
Equipment and supplies	242,308	652,639	6,595	131,824	-
Occupancy	308,494	573,584	27,293	213,029	-
Travel, meetings and conferences	14,927	51,535	13,693	3,302	4,047
Special assistance to individuals	83,849	74,179	7,727	-	-
Technology	165,739	120,355	33,107	24,274	-
Miscellaneous	35,514	128,913	7,920	6,161	-
Depreciation	247,194	562,284	31,147	90,010	-
<b>Total program expenses</b>	<b><u>\$ 3,436,991</u></b>	<b><u>\$ 7,315,833</u></b>	<b><u>\$ 1,252,972</u></b>	<b><u>\$ 1,845,001</u></b>	<b><u>\$ 31,326</u></b>
Administration	234,729	493,830	169,943	133,875	-
<b>Total management and general</b>	<b><u>\$ 234,729</u></b>	<b><u>\$ 493,830</u></b>	<b><u>\$ 169,943</u></b>	<b><u>\$ 133,875</u></b>	<b><u>\$ -</u></b>
Fundraising	13,259	9,328	25,448	14,282	-
<b>Total fundraising</b>	<b><u>\$ 13,259</u></b>	<b><u>\$ 9,328</u></b>	<b><u>\$ 25,448</u></b>	<b><u>\$ 14,282</u></b>	<b><u>\$ -</u></b>
<b>Total program and support service costs</b>	<b><u>\$ 3,684,979</u></b>	<b><u>\$ 7,818,991</u></b>	<b><u>\$ 1,448,363</u></b>	<b><u>\$ 1,993,158</u></b>	<b><u>\$ 31,326</u></b>

See Independent Auditor's Report.



**ST. JOSEPH'S VILLA**

Statements of Functional Expenses, Continued  
Year Ended June 30, 2023

Housing and Homeless Services			Support Services			
			Other Services	Total Program Services	Management and General	Fundraising
\$ 1,310,347	\$ 66,229	\$ 10,600,918	\$ 2,267,658	\$ 554,669	\$ 2,822,327	\$ 13,423,245
91,350	-	887,488	312,306	21,557	333,863	1,221,351
15,338	-	1,048,704	35,408	3,105	38,513	1,087,217
151,667	12,543	1,286,610	423,927	31,693	455,620	1,742,230
32,500	-	120,004	17,074	3,950	21,024	141,028
1,320,143	-	1,485,898	-	250	250	1,486,148
67,321	-	410,796	96,060	25,770	121,830	532,626
11,637	-	190,145	179,774	77,164	256,938	447,083
21,856	-	952,491	237,329	9,372	246,701	1,199,192
<b>\$ 3,022,159</b>	<b>\$ 78,772</b>	<b>\$ 16,983,054</b>	<b>\$ 3,569,536</b>	<b>\$ 727,530</b>	<b>\$ 4,297,066</b>	<b>\$ 21,280,120</b>
250,901	237,042	1,520,320	(1,618,184)	97,864	(1,520,320)	-
<b>\$ 250,901</b>	<b>\$ 237,042</b>	<b>\$ 1,520,320</b>	<b>\$ (1,618,184)</b>	<b>\$ 97,864</b>	<b>\$ (1,520,320)</b>	<b>\$ -</b>
50,833	5,869	119,019	51,782	(170,801)	(119,019)	-
<b>\$ 50,833</b>	<b>\$ 5,869</b>	<b>\$ 119,019</b>	<b>\$ 51,782</b>	<b>\$ (170,801)</b>	<b>\$ (119,019)</b>	<b>\$ -</b>
<b>\$ 3,323,893</b>	<b>\$ 321,683</b>	<b>\$ 18,622,393</b>	<b>\$ 2,003,134</b>	<b>\$ 654,593</b>	<b>\$ 2,657,727</b>	<b>\$ 21,280,120</b>

See Independent Auditor's Report.

**ST. JOSEPH'S VILLA**

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

	Program Services			
		Developmental		Behavioral
	Education	Disabilities	Day Treatment	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
<b>Total program expenses</b>	<b>\$ 3,319,370</b>	<b>\$ 6,863,816</b>	<b>\$ 1,093,038</b>	<b>\$ 1,546,140</b>
Administration	219,136	459,866	157,257	125,887
<b>Total management and general</b>	<b>\$ 219,136</b>	<b>\$ 459,866</b>	<b>\$ 157,257</b>	<b>\$ 125,887</b>
Fundraising	11,749	8,266	22,549	12,655
<b>Total fundraising</b>	<b>\$ 11,749</b>	<b>\$ 8,266</b>	<b>\$ 22,549</b>	<b>\$ 12,655</b>
<b>Total program and support service costs</b>	<b>\$ 3,550,255</b>	<b>\$ 7,331,948</b>	<b>\$ 1,272,844</b>	<b>\$ 1,684,682</b>

See Independent Auditor's Report.

**ST. JOSEPH'S VILLA**

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

Housing and Homeless Services		Support Services					Total
		Other Services	Total Program Services	Management and General	Fundraising	Total Support Services	
\$ 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	
<b>\$ 2,878,406</b>	<b>\$ 82,297</b>	<b>\$ 15,783,067</b>	<b>\$ 3,506,975</b>	<b>\$ 791,835</b>	<b>\$ 4,298,810</b>	<b>\$ 20,081,877</b>	
231,996	216,016	1,410,158	(1,494,977)	84,819	(1,410,158)	-	
<b>\$ 231,996</b>	<b>\$ 216,016</b>	<b>\$ 1,410,158</b>	<b>\$ (1,494,977)</b>	<b>\$ 84,819</b>	<b>\$ (1,410,158)</b>	<b>\$ -</b>	
45,043	5,201	105,463	45,886	(151,349)	(105,463)	-	
<b>\$ 45,043</b>	<b>\$ 5,201</b>	<b>\$ 105,463</b>	<b>\$ 45,886</b>	<b>\$ (151,349)</b>	<b>\$ (105,463)</b>	<b>\$ -</b>	
<b>\$ 3,155,445</b>	<b>\$ 303,514</b>	<b>\$ 17,298,688</b>	<b>\$ 2,057,884</b>	<b>\$ 725,305</b>	<b>\$ 2,783,189</b>	<b>\$ 20,081,877</b>	

See Independent Auditor's Report.

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**ST. JOSEPH'S VILLA**

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

<b>Federal Grantor/Pass-Through Grantor Program or Cluster Title</b>	<b>Pass-Through Entity</b>	<b>Pass- through Entity Identifying Number</b>	<b>Federal Assistance Listing Number</b>	<b>Federal Expenditures</b>
U.S. Department of Housing and Urban Development				
Continuum of Care Program		St. Joseph's Villa	14.267	\$ 641,369
Continuum of Care Program	Hopewell Redevelopment Housing Authority	St. Joseph's Villa	14.267	14,236
Continuum of Care Program	Petersburg Redevelopment Housing Authority	St. Joseph's Villa	14.267	<u>4,537</u>
Total expenditures under Continuum of Care Program				660,142
Community Development Block Grant	Henrico County	St. Joseph's Villa	14.218	14,026
Community Development Block Grant	City of Richmond	St. Joseph's Villa	14.218	<u>12,330</u>
Total expenditures under Community Development Block Grant				26,356
Virginia Homeless Solutions Program	Henrico County	St. Joseph's Villa	14.231	17,586
Virginia Homeless Solutions Program	Commonwealth of Virginia Department of Housing and Community Development	St. Joseph's Villa	14.231	<u>262,073</u>
Total expenditures under Virginia Homeless Solutions Program				279,659
Moving From Foster Care to Adulthood	Commonwealth of Virginia Department of Housing and Community Development	St. Joseph's Villa	14.239	<u>65,882</u>
Total U.S. Department of Housing and Urban Development				<u>1,032,039</u>
Federal Communications Commission				
USAC E-Rate		St. Joseph's Villa	32.004	12,000
CARES Act Grant		St. Joseph's Villa	32.004	<u>36,257</u>
Total Federal Communications Commission				<u>48,257</u>
				<u>\$ 1,080,296</u>

See Independent Auditor's Report.

## ST. JOSEPH'S VILLA

### Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2023

#### **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, 2023. 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, 2023.

#### **Note B – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

## **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, 2023, 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 February 9, 2024.

**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 "Keita", with a stylized flourish at the end.

February 9, 2024  
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, 2023. 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, 2023.

***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, no 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 at the end.

February 9, 2024  
Glen Allen, Virginia

**ST. JOSEPH'S VILLA**

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

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:  
14.267 – Continuum of Care
- (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