

## **Disaster Services Corporation - Society of St. Vincent De Paul USA**

Financial Statements and Independent Auditor's Reports Required by *Government Auditing Standards* and Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance)  
Years Ended September 30, 2020 and 2019

**Disaster Services Corporation -  
Society of St. Vincent De Paul USA**

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Financial Statements, Schedule of Expenditures of Federal Awards  
and Reports Required by *Government Auditing Standards*  
and the Uniform Guidance  
Years Ended September 30, 2020 and 2019

# Disaster Services Corporation - Society of St. Vincent De Paul USA

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## **Independent Auditor's Report**

The Board of Directors  
Disaster Services Corporation -  
Society of St. Vincent De Paul USA

We have audited the accompanying financial statements of Disaster Services Corporation - Society of St. Vincent de Paul USA (DSC), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and those standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DSC as of September 30, 2020 and 2019, and the change in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purpose 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and to other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 August 16, 2021, on our consideration of DSC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely 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 DSC'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 DSC's internal control over financial reporting and compliance.

BDO USA, LLP

St. Louis, Missouri  
August 16, 2021

## Financial Statements

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# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Statements of Financial Position

September 30,	2020	2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,307,745	\$ 13,319
Grant receivable	378,577	1,266,374
Unbilled grant receivable	296,892	818,765
Receivable from related organization	15,213	-
Inventory	86,386	123,465
In-kind lease future benefit	600	32,160
Prepaid expenses and other current assets	49,397	181,755
<b>Total Current Assets</b>	<b>2,134,810</b>	<b>2,435,838</b>
<b>Non-Current Assets</b>		
Property and equipment, net	7,789	19,865
<b>Total Assets</b>	<b>\$ 2,142,599</b>	<b>\$ 2,455,703</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 447,359	\$ 1,514,013
Due to related organization, net	-	3,059
Accrued salaries and payroll taxes	75,037	69,919
Current maturities of long-term debt	330,518	-
<b>Total Current Liabilities</b>	<b>852,914</b>	<b>1,586,991</b>
<b>Long-term debt, less current maturities (Note 8)</b>	<b>1,156,812</b>	<b>-</b>
<b>Total Liabilities</b>	<b>2,009,726</b>	<b>1,586,991</b>
<b>Net Assets</b>		
Without donor restriction	(128,993)	(297,468)
With donor restriction	261,866	1,166,180
<b>Total Net Assets</b>	<b>132,873</b>	<b>868,712</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,142,599</b>	<b>\$ 2,455,703</b>

*The accompanying notes are an integral part of these financial statements.*

# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Statements of Activities

*Year ended September 30, 2020*

	Without Donor Restriction	With Donor Restriction	Total
<b>Support and Revenues</b>			
Federal revenue	\$ -	\$ 12,561,815	\$ 12,561,815
Private grants	150,000	1,553,566	1,703,566
In-kind contributions	-	115,285	115,285
Contributions	70,831	258,817	329,648
Other income	50,208	-	50,208
Net assets released from restrictions	15,393,798	(15,393,798)	-
<b>Total Support and Revenues</b>	<b>15,664,837</b>	<b>(904,315)</b>	<b>14,760,522</b>
<b>Expenses</b>			
Program services	14,767,747	-	14,767,747
Management and general	671,832	-	671,832
Fundraising	56,782	-	56,782
<b>Total Expenses</b>	<b>15,496,361</b>	<b>-</b>	<b>15,496,361</b>
<b>Change in Net Assets</b>	<b>168,476</b>	<b>(904,315)</b>	<b>(735,839)</b>
<b>Net Assets, beginning of year</b>	<b>(297,469)</b>	<b>1,166,181</b>	<b>868,712</b>
<b>Net Assets, end of year</b>	<b>\$ (128,993)</b>	<b>\$ 261,866</b>	<b>\$ 132,873</b>

*The accompanying notes are an integral part of these financial statements.*

# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Statements of Activities

*Year ended September 30, 2019*

	Without Donor Restriction	With Donor Restriction	Total
<b>Support and Revenues</b>			
Federal revenue	\$ -	\$ 18,559,312	\$ 18,559,312
Private grants	150,000	224,902	374,902
In-kind contributions	-	197,534	197,534
Contributions	76,563	1,350,275	1,426,838
Other income	20,080	-	20,080
Net assets released from restrictions	23,655,802	(23,655,802)	-
<b>Total Support and Revenues</b>	<b>23,902,445</b>	<b>(3,323,779)</b>	<b>20,578,666</b>
<b>Expenses</b>			
Program services	23,223,068	-	23,223,068
Management and general	842,710	-	842,710
<b>Total Expenses</b>	<b>24,065,778</b>	<b>-</b>	<b>24,065,778</b>
<b>Change in Net Assets</b>	<b>(163,333)</b>	<b>(3,323,779)</b>	<b>(3,487,112)</b>
<b>Net Assets, beginning of year</b>	<b>(134,136)</b>	<b>4,489,960</b>	<b>4,355,824</b>
<b>Net Assets, end of year</b>	<b>\$ (297,469)</b>	<b>\$ 1,166,181</b>	<b>\$ 868,712</b>

*The accompanying notes are an integral part of these financial statements.*

# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Statements of Functional Expenses

*Year ended September 30, 2020*

	Program Services (Disaster Services)	Management and General	Fundraising	Total
<b>Personnel Costs</b>				
Salaries and wages	\$ 10,210,281	\$ 346,580	\$ 18,000	\$ 10,574,861
Staff insurance	1,012,710	33,380	-	1,046,090
Pension	278,019	11,245	-	289,264
<b>Total Personnel Costs</b>	<b>11,501,010</b>	<b>391,205</b>	<b>18,000</b>	<b>11,910,215</b>
Accounting	184,135	27,845	-	211,980
Administration	84,184	4,570	391	89,145
Advertising	-	-	31,735	31,735
Computer maintenance and supplies	-	-	-	-
Depreciation	4,183	77	-	4,260
Dues and subscriptions	11,000	3,334	-	14,334
Disaster services supplies and assistance	1,154,567	-	-	1,154,567
Grants and allocations	117,788	-	-	117,788
Insurance	76,633	3,089	-	79,722
Bad debt	193	-	-	193
Legal	11,574	45,138	-	56,712
Travel, meals and entertainment	212,312	13,646	-	225,958
Meetings	-	13,974	-	13,974
Office	121,462	28,226	6,656	156,344
Other	-	18	-	18
Materials and printing	611	239	-	850
Professional fees	633,776	92,440	-	726,216
Rent	442,164	25,898	-	468,062
Repairs and maintenance	4,479	1,670	-	6,149
Telephone	169,581	19,204	-	188,785
Training	16	30	-	46
Utilities	38,079	1,229	-	39,308
<b>Total Expenses</b>	<b>\$ 14,767,747</b>	<b>\$ 671,832</b>	<b>\$ 56,782</b>	<b>\$ 15,496,361</b>

*The accompanying notes are an integral part of these financial statements.*

# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Statements of Functional Expenses

*Year ended September 30, 2019*

	Program Services (Disaster Services)	Management and General	Total
<b>Personnel Costs</b>			
Salaries and wages	\$ 16,107,781	\$ 476,444	\$ 16,584,225
Staff insurance	1,169,897	24,900	1,194,797
Pension	82,061	20,394	102,455
<b>Total Personnel Costs</b>	<b>17,359,739</b>	<b>521,738</b>	<b>17,881,477</b>
Accounting	103,143	50,533	153,676
Administration	140,559	2,148	142,707
Advertising	3,681	9,750	13,431
Computer maintenance and supplies	29,985	2,010	31,995
Depreciation	2,790	1,780	4,570
Dues and subscriptions	6,834	7,804	14,638
Disaster services supplies and assistance	1,716,530	-	1,716,530
Grants and allocations	335,453	-	335,453
Insurance	129,456	18,823	148,279
Bad debt	24,865	21	24,886
Legal	45,734	10,038	55,772
Travel, meals and entertainment	624,799	60,172	684,971
Meetings	3,090	3,800	6,890
Office	501,756	38,264	540,020
Other	8,701	11,077	19,778
Materials and printing	14,733	146	14,879
Professional fees	1,014,382	56,714	1,071,096
Rent	909,572	20,471	930,043
Repairs and maintenance	6,980	1,545	8,525
Telephone	214,144	23,399	237,543
Training	1,374	1,819	3,193
Utilities	24,768	658	25,426
<b>Total Expenses</b>	<b>\$ 23,223,068</b>	<b>\$ 842,710</b>	<b>\$ 24,065,778</b>

*The accompanying notes are an integral part of these financial statements.*

# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Statements of Cash Flows

<i>Year ended September 30,</i>	2020	2019
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (735,839)	\$ (3,487,112)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	4,260	4,570
Gain on sale of long-lived assets	7,816	-
Changes in current assets and liabilities:		
Grant receivable and unbilled grant receivable	1,409,670	(705,276)
Inventory	37,079	77,299
In-kind future lease benefit	31,560	257,640
Prepaid expenses and other assets	132,358	(25,000)
Intangible	-	3,713
Accounts payable	(1,066,654)	1,195,772
Accrued salaries and payroll taxes	5,118	(13,869)
Due to/from related organization	(18,272)	(115,256)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(192,904)</b>	<b>(2,807,519)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from PPP loan	1,487,330	-
<b>Net Cash Provided by Financing Activities</b>	<b>1,487,330</b>	<b>-</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>1,294,426</b>	<b>(2,807,519)</b>
Cash and Cash Equivalents, beginning of year	13,319	2,820,838
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 1,307,745</b>	<b>\$ 13,319</b>
<b>Supplemental Cash Flow Information</b>		
In-kind contributions of leased space	\$ 23,000	\$ 178,542
In-kind contributions of supplies	92,235	18,992

*The accompanying notes are an integral part of these financial statements.*

# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Notes to Financial Statements

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### 1. Nature of Organization and Summary of Significant Accounting Policies

#### *Organization*

Disaster Services Corporation - Society of St. Vincent De Paul USA (DSC or the Organization) is a tax-exempt, nonprofit, charitable organization that provides humanitarian services primarily to poor and low-income families and individuals.

The primary mission of DSC is to provide disaster response and recovery services to clients throughout the United States and its territories. DSC's secondary missions include conducting disaster response training sessions and providing disaster response management and consulting services to state and local governments and other nonprofits.

DSC frequently collaborates with other disaster relief and recovery agencies, organizations and businesses to provide post-first responder long-term recovery assistance to those in need.

DSC is wholly owned by the National Council of the United States Society of St. Vincent de Paul, Inc. (the Society). DSC was incorporated in Missouri on February 10, 2017.

#### *Financial Statement Presentation*

DSC prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-For-Profit Entities*. Under ASC Topic 958, DSC is required to report information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restriction.

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes.

*Net Assets with Donor Restriction* - DSC reports any funding of cash and other assets as with donor restricted support if they are received with time or purpose restrictions that limit the use of the funds. When a restriction is satisfied, net assets with donor restriction are reported in the statement of activities as net assets released from restrictions.

#### *Cash and Cash Equivalents*

Cash and cash equivalents consist of cash held in checking accounts with maturities of less than 90 days that are available for current use.

#### *Fair Value Measurements*

DSC's financial instruments are cash and cash equivalents, receivables and payables. The recorded carrying amounts approximate their fair values base on their short-term nature.

# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Notes to Financial Statements

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### ***Grants Receivable***

Grants receivable are receivables from governmental agencies and are stated at the amount management expects to collect from outstanding balances. These reimbursements are subject to review by the issuing agency and consequently certain costs may be disallowed. Management is of the opinion that any adjustments made due to these reviews would be immaterial. Unbilled grants receivable are receivables from government agencies where expenses were incurred during the fiscal year but invoiced after year end.

### ***Inventory***

Inventory consists primarily of goods held for distribution to the House in the Box program. Inventory is a mix of items contributed by individuals, organizations, commercial enterprises or purchased by DSC. Purchased inventory is stated at the lower of cost (first-in, first-out) or net realizable value. Donated goods inventory is recorded at fair value.

### ***Property and Equipment***

Property and equipment is carried at cost or, if donated, is recorded based on the estimated fair value of the assets at the time of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from five to 15 years.

### ***Revenue Recognition***

Revenue from grants and contracts is generally recognized to the extent of allowable expenses incurred and the provisions applicable to the grant or contract. Programs from grants and contracts typically have restrictions on how the funding can be used. DSC reports any funding of cash and other assets as with donor restricted support if they are received with program stipulations that limit the use of the funds. When a restriction is satisfied, net assets with donor restriction are reported in the statement of activities as net assets released from restrictions.

Contributions received are recorded as increases in without donor restriction or with donor restriction net assets, depending on the existence and/or nature of any donor restrictions. DSC reports donations of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When the satisfaction of a restriction is accomplished, net assets with donor restrictions are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions.

Donated supplies, equipment and services are recorded as in-kind contributions at their fair value at date of receipt. There were donated supplies of \$92,235 and \$18,992 and leased space in the amount of \$23,000 and \$178,542, respectively, for the years ended September 30, 2020 and 2019.

### ***Functional Expenses***

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of DSC. Expenses can be identified with a specific program and support services are allocated directly according to their natural expenditures' classification. Other expenses that are common to several functions are allocated based on estimates made by management. Salaries and benefits are allocated based on estimated time and effort of employees.

# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Notes to Financial Statements

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### ***Concentration***

DSC expends funds for which it seeks reimbursement under grants from the federal government. 100% of grants receivable at September 30, 2020 and 2019 were from three agencies.

### ***Income Taxes***

DSC is a nonprofit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and classified by the Internal Revenue Service as an entity that is not a private foundation and qualifies for deductible contributions as provided in Section 170(b)(A)(vi). Accordingly, no provision for income taxes has been reflected in these financial statements. Income tax returns for 2018 and forward may be audited by regulatory agencies; however, DSC is not aware of any such actions at this time.

DSC has adopted FASB ASC Topic 740, which clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain and, accordingly, no accounting adjustment has been made to the financial statements.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### ***Recent Accounting Pronouncements Issued but Not Yet Adopted***

In May 2014, the FASB issued Accounting Standards Update (ASU), No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which established a comprehensive revenue recognition standard for virtually all industries under U.S. GAAP, including those that previously followed industry specific guidance such as real estate, construction and software industries. The revenue standard's core principle is built on the contract between a vendor and a customer for the provision of goods and services. It attempts to depict the exchange of rights and obligations between the parties in the pattern of revenue recognition based on the consideration to which the vendor is entitled. To accomplish this objective, the standard requires five basic steps: i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement.

# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Notes to Financial Statements

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On June 3, 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers and Leases: Effective Dates for Certain Entities*. This ASU permits private companies that have not yet applied the revenue recognition standard to do so for annual reporting periods beginning after December 15, 2019. The Organization will implement Topic 606 effective October 1, 2020. This ASU also extended ASU 2016-02 to years beginning after December 15, 2021. DSC is in the process of evaluating the potential impact of these standards on future consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). This update addresses presentation and disclosure of contributed nonfinancial assets. This update will require a nonprofit to present contributed nonfinancial assets as a separate line item in the consolidated statement of activities, apart from contributions of cash and other financial assets, disclose contributed nonfinancial assets recognized within the consolidated statement of activities disaggregated by category that depicts the type of contributed nonfinancial assets, and for each category of contributed nonfinancial assets recognized, include the following: qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period (if utilized, disclose a description of the programs or other activities in which those assets were used), the Organization's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets, a description of any donor-imposed restrictions associated with the contributed nonfinancial assets, a description of the valuation techniques and inputs used to arrive at a fair value measure at initial recognition, and the principal market used by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The ASU is to be applied on a retrospective basis and effective for annual periods beginning June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. DSC is currently evaluating the impact of ASU on its financial statements.

## 2. Property and Equipment, Net

Property and equipment, net consisted of the following:

<i>September 30,</i>	<b>2020</b>		<b>2019</b>	
Furniture and equipment	\$	<b>13,950</b>	\$	26,950
Less: accumulated depreciation		<b>(6,161)</b>		(7,085)
<b>Property and Equipment, Net</b>	<b>\$</b>	<b>7,789</b>	<b>\$</b>	<b>19,865</b>

Depreciation expense of \$4,260 and \$4,570 was recorded for the years ended September 30, 2020 and 2019, respectively.

## 3. Grants Receivable

Grants receivable includes amounts due in connection with reimbursement of allowable expenditures made pursuant to the agreements with the Federal Emergency Management Agency, Volunteer Florida and the National Voluntary Organizations Active in Disasters.

# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Notes to Financial Statements

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### 4. Net Assets with Donor Restrictions

Net assets with donor restrictions include the following balances, which are restricted to specific program services, as follows:

<i>September 30,</i>	<b>2020</b>	<b>2019</b>
House in a Box program	\$ 111,850	\$ 359,910
Recent hurricanes	85,575	678,702
Hope program	-	61,280
Other disaster relief	64,441	66,289
<b>Total Net Assets with Donor Restrictions</b>	<b>\$ 261,866</b>	<b>\$ 1,166,181</b>

Net assets released from restriction by incurring expenses satisfying the restricted purpose are as follows:

<i>Year ended September 30,</i>	<b>2020</b>	<b>2019</b>
Disaster Case Management	\$ 12,561,799	\$ 20,361,678
House in a Box program	1,636,954	2,178,074
Recent hurricanes	963,746	458,221
Hope program	63,487	911
Other disaster relief	167,812	656,918
<b>Total Net Assets Released from Restriction</b>	<b>\$ 15,393,798</b>	<b>\$ 23,655,802</b>

### 5. Liquidity and Availability of Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

<i>September 30, 2020</i>	
Cash and cash equivalents	\$ 1,307,745
Grant receivable	378,577
Unbilled grant receivable	296,892
Receivable from related organization	15,213
<b>Total Financial Assets Available Within One Year</b>	<b>\$ 1,998,427</b>

DSC maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Notes to Financial Statements

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### 6. Commitments and Contingencies

#### *Lease Commitments*

DSC has entered into various noncancelable operating lease agreements for office facilities. Lease expense for the year ended September 30, 2020 and 2019 totaled \$468,062 and \$930,043, respectively, and included \$23,000 and \$436,182 of donated in-kind lease expense in fiscal 2020 and 2019, respectively. Future minimum rent payments are as follows:

*Year ending September 30,*

2021	\$	23,753
2022		8,940
<b>Total</b>	<b>\$</b>	<b>32,693</b>

### 7. Defined Contribution Plans

The Society currently offers one plan to its employees, the 403(b) Thrift Plan for Employees of the Council of the United States-Society of St. Vincent de Paul. This Plan is a defined contribution 403(b) plan covering all employees.

### 8. Paycheck Protection Program Loan and Line of Credit

On April 6, 2020, DSC applied for and received approval for a loan under the Payroll Protection Program (PPP) administered by the United States Small Business Administration (SBA). The PPP was legislated as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and is a program designed to provide a direct incentive for small businesses to keep their workers on the payroll. The loan may be partially or fully forgiven if the business keeps its employee counts and employee wages stable. As of September 30, 2020, the Organization's PPP loan had a balance of \$1,487,330 and is held by a third-party financial institution. The loan has an interest rate of approximately 1% and a maturity in April 2022. Principal and interest payments on the loan are deferred until a determination is made on whether the loan, or a portion of the loan, will be forgiven. The application for these funds required the Organization to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Organization. This certification further required the Organization to take into account current business activity and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business.

Subsequent to year-end, on July 28, 2021, DSC was notified by the SBA that \$557,732 of the PPP loan was forgiven and the remaining loan balance was extended to the fifth anniversary of the original disbursement date of the loan. Principal payments on the loan begin September 1, 2021 and are payable in monthly ratable installments through April 2025.

DSC has at \$150,000 line of credit with a bank, which expires September 15, 2025. The line of credit has interest payable at 3% plus prime rate. No amounts were outstanding on the line of credit at September 30, 2020 and 2019.

# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Notes to Financial Statements

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### 9. Related-Party Transactions

During the years ended September 30, 2020 and 2019, DSC recorded \$396,706 and \$668,032 of contributions, respectively, that were disaster relief funds received by the Society and contributed to DSC.

During the years ended September 30, 2020 and 2019, DSC received \$71,974 and \$124,864, respectively, from various Councils of the Society to process Rapid Response and Long-term Grants.

The net receivable (payable) to the Society is comprised of the following:

<i>September 30,</i>		2020		2019
Support receivable	\$	20,000	\$	498
Less: payable to Society		(4,787)		(3,557)
<b>Receivable (Payable) to Society, Net</b>	<b>\$</b>	<b>15,213</b>	<b>\$</b>	<b>(3,059)</b>

### 10. Risk and Uncertainties

#### *COVID-19*

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

#### *CARES Act*

On March 27, 2020, President Trump signed into law the CARES Act. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property. It also appropriated funds for the SBA PPP loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. The Organization did receive a PPP loan of as described in Note 8. DSC is not deferring the employer side of social security payments.

### 11. Subsequent Events

DSC's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from September 30, 2020 through August 16, 2021, which is the date the financial statements were available to be issued.

**Title 2 U.S. Code of Federal Regulations Part 200,  
Uniform Administrative Requirements, Cost Principles,  
and Audit Requirements for Federal Awards  
(Uniform Guidance)**

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## **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***

The Board of Directors  
Disaster Services Corporation -  
Society of St. Vincent De Paul USA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Disaster Services Corporation-Society of St. Vincent De Paul USA (DSC), which comprise the statement of financial position as of September 30, 2020, 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 August 16, 2021.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered DSC’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 DSC’s internal control. Accordingly, we do not express an opinion on the effectiveness of DSC’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 a 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 DSC'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 determination of financial statement amounts. 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 DSC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DSC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

St. Louis, Missouri  
August 16, 2021

## **Independent Auditor's Report on Compliance for the Major Federal Program, Report on Internal Control Over Compliance, and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Disaster Services Corporation -  
Society of St. Vincent De Paul USA

### **Report on Compliance for Each Major Federal Program**

We have audited the Disaster Services Corporation-Society of St. Vincent De Paul USA's (DSC) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of DSC's major federal programs for the year ended September 30, 2020. DSC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of DSC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about DSC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of DSC's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, DSC 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 September 30, 2020.

### ***Report on Internal Control Over Compliance***

Management of DSC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered DSC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of DSC's 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.

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

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.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of DSC as of and for the year ended September 30, 2020, and have issued our report thereon dated August 16, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and to other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

BDO USA, LLP

St. Louis, Missouri  
August 16, 2021

# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Schedule of Expenditures of Federal Awards

*Year ended September 30, 2020*

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
<b>U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA)</b>				
Disaster Assistance Projects (DR4339)	97.088	N/A	\$ -	\$ 4,161,067
Passed through National Voluntary Organizations Active in Disaster (NVOAD):				
*Disaster Assistance Projects (DR4332)	97.088	N/A	-	7,049,947
Passed through Volunteer Florida:				
Disaster Assistance Projects (DR4337)	97.088	N/A	-	430,812
Disaster Assistance Projects (DR4339-2)	97.088	N/A	-	607,879
Disaster Assistance Projects (DR4339-3)	97.088	N/A	-	568,473
<b>Total U.S. Department of Homeland Security</b>			-	
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 12,818,178

*The accompanying notes are an integral part of this schedule.*

# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Notes to Schedule of Expenditures of Federal Awards Year Ended September 30, 2020

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### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Disaster Services Corporation-Society of St. Vincent De Paul USA "DSC" under programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of DSC, it is not intended to and does not present the financial position, changes in net assets or cash flows of DSC.

### 2. Summary of Significant Accounting Policies

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

### 3. Indirect Cost Rate

DSC has not elected to use the 10% de minimis cost rate allowed under the Uniform Guidance.

# Disaster Services Corporation - Society of St. Vincent De Paul USA

## Schedule of Findings and Questioned Costs Year Ended September 30, 2020

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### Section 1. Summary of Auditor's Results

#### *Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

#### *Federal Awards*

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes  No

Identification of major federal programs:

Federal CFDA Number	Name of Federal Program or Cluster
97.088	Disaster Assistance Projects

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes  No

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# **Disaster Services Corporation - Society of St. Vincent De Paul USA**

## **Schedule of Findings and Questioned Costs Year Ended September 30, 2020**

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### **Section 2. - Financial Statement Findings**

There were no findings related to the financial statements that are required to be reported in accordance with generally accepted government auditing standards (GAGAS).

### **Section 3. - Federal Award Findings and Questioned Costs**

There were no findings and questioned costs for federal awards (as defined in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Guidance that are required to be reported.