

AUDITED FINANCIAL STATEMENTS

**FATHER MCKENNA'S ST. VINCENT DEPAUL
SOCIETY OF SHELTON, INC.**

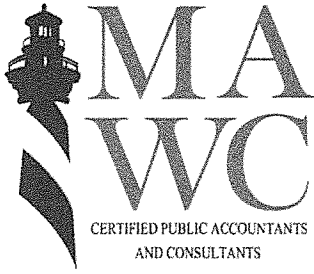
DERBY, CONNECTICUT

YEAR ENDED DECEMBER 31, 2013

FATHER MCKENNA'S ST. VINCENT DEPAUL SOCIETY OF SHELTON, INC.

CONTENTS

Audited Financial Statements:	<u>Page</u>
Independent Auditors' Report	3
Statement of Financial Position	5
Statement of Activities	6
Statement of Cash Flows	7
Notes to Financial Statements	8



Guiding Successful People

Ansonia
158 Main Street, Suite 301
Ansonia, Connecticut 06401
P: 203-732-2311

Killingworth
166 Route 81
Killingworth, Connecticut 06419
P: 860-663-0110

New Haven
900 Chapel Street, Suite 620
New Haven, Connecticut 06510
P: 203-773-0384

Westport
611 Riverside Avenue
Westport, Connecticut 06880
P: 877-839-7423

Principals
Francis H. Michaud Jr. CPA
John A. Accavallo CPA
Sandra M. Woodbridge CPA
Dominic L. Cusano MBA CPA
Darin L. Offerdahl MBA CPA

INDEPENDENT AUDITORS' REPORT

Board of Directors
Father McKenna's St. Vincent DePaul Society of Shelton, Inc..
237 Roosevelt Drive
Derby, Connecticut 06418

We have audited the accompanying financial statements of Father McKenna's St. Vincent DePaul Society of Shelton, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and cash flows for the year 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 these 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 these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 Father McKenna's St. Vincent DePaul Society of Shelton, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Michaud Accavallo Woodbridge & Cusano, LLC

Michaud Accavallo Woodbridge & Cusano, LLC

Certified Public Accountants

Ansonia, Connecticut 06401

December 10, 2014

FATHER MCKENNA'S ST. VINCENT DEPAUL SOCIETY OF SHELTON, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	184,958
Investments		1,585
Prepaid expenses		<u>1,910</u>
TOTAL CURRENT ASSETS		188,453

PROPERTY, PLANT AND EQUIPMENT

Land		157,420
Land Improvements		21,327
Building		198,389
Building Improvements		111,762
Equipment		<u>34,318</u>
		523,216
Less accumulated depreciation		<u>95,819</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT		<u>427,397</u>

TOTAL ASSETS \$ 615,850

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$	6,514
Current portion of long term debt		<u>8,864</u>
TOTAL CURRENT LIABILITIES		15,378

LONG TERM DEBT - net of current portion 157,161

TOTAL LIABILITIES 172,539

NET ASSETS -Unrestricted 443,311

TOTAL LIABILITIES AND NET ASSETS \$ 615,850

See notes to financial statements.

FATHER MCKENNA'S ST. VINCENT DEPAUL SOCIETY OF SHELTON, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013

UNRESTRICTED	
REVENUES AND OTHER SUPPORT	
Sales	\$ 97,997
Contributions	42,593
Grants	28,373
Miscellaneous	<u>1,157</u>
TOTAL REVENUES AND OTHER SUPPORT	170,120
EXPENSES	
Payroll	73,543
Program	12,533
Depreciation	11,123
Insurance	10,723
Interest	8,370
Utilities	8,173
Supplies	4,385
Contract services	3,496
Volunteer Pay	1,957
Travel and meeting	1,675
Repairs and maintenance	998
Accounting Fees	975
Dues and subscriptions	890
Other	<u>746</u>
TOTAL EXPENSES	<u>139,587</u>
INCREASE IN NET ASSETS	30,533
Net assets-unrestricted at January 1, 2013 as restated	<u>412,778</u>
NET ASSETS-UNRESTRICTED AT DECEMBER 31, 2013	<u>\$ 443,311</u>

See notes to financial statements.

FATHER MCKENNA'S ST. VINCENT DEPAUL SOCIETY OF SHELTON, INC.
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2013

CASH FLOW FROM OPERATING ACTIVITIES:	
Increase in net assets	\$ 30,533
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	11,123
Changes in operating assets and liabilities:	
Increase in prepaid expenses	(735)
Increase in accounts payable and accrued liabilities	<u>2,105</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	43,026
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of property and plant improvements	(11,335)
Purchase of investment	<u>(503)</u>
NET CASH USED IN INVESTING ACTIVITIES	(11,838)
 CASH FLOW USED IN FINANCING ACTIVITIES-principal payments on	
Mortgage note	<u>(8,331)</u>
NET INCREASE IN CASH	22,857
 Cash and cash equivalents at January 1, 2013	 <u>162,101</u>
CASH AND CASH EQUIVALENTS AT DECEMBER 31, 2013	<u>\$ 184,958</u>
 SUPPLEMENTAL INFORMATION:	
Cash paid for interest	<u>\$ 8,370</u>

See notes to financial statements.

FATHER MCKENNA'S ST. VINCENT DEPAUL SOCIETY OF SHELTON, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Father McKenna's St. Vincent DePaul Society of Shelton, Inc. (Society), through its volunteers, members and programs, is dedicated to aiding the elderly, homeless, working poor, physically handicapped and mentally challenged people of the Lower Naugatuck Valley. The Society fulfills this mission, without discrimination or religious affiliation, by providing food, clothing, household furnishings, support and solace to our less fortunate brethren.

The Society is supported primarily through sales of donated clothing and furniture (58%), contributions (25%), and grants (17%), for the year ended December 31, 2013. Additionally, large amounts of canned foods are donated to the Society's food bank from churches, civic organizations, businesses, schools and individuals for distribution to those in need.

Use of Estimates

The accounting and financial reporting policies of Father McKenna St Vincent Depaul Society of Shelton, Inc. conform to accounting principles generally accepted in the United States of America. 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, the disclosure of contingent assets and liabilities and the reported support, revenues and expenses, at the date of the financial statements. Actual results could differ from the estimates that were assumed in preparing the financial statements.

Financial Statement Presentation

The accompanying financial statements of the Society have been prepared on the accrual basis of accounting. The Society also reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets temporarily restricted net assets and permanently restricted net assets. There were no temporarily restricted or permanently restricted net assets as of December 31, 2013.

Cash and Cash Equivalents and Credit Risk

For purposes of the statement of cash flows, the Society considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2013, the carrying amounts of the Father McKenna's St. Vincent DePaul Society of Shelton, Inc.'s cash accounts were \$ \$184,957 and balances in banks amounted to \$179,760. Deposits in banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2013 there were no uninsured balances.

Investments

Investments are reported at their carrying value, which also approximates the fair value as of December 31, 2013. Investments are comprised of mutual funds.

FATHER MCKENNA'S ST. VINCENT DEPAUL SOCIETY OF SHELTON, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

Contributions

Contributions received are recognized when a donor makes a promise to give to the Society that is, in substance, unconditional; and is recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Grants

Grants are generally considered to be exchange transactions in which the grantor requires the performance of specified activities. Entitlement to cost reimbursement grants is conditioned on the expenditure of funds in accordance with grant restrictions and, therefore, revenue is recognized to the extent of grant expenditures. Grant receipts in excess of revenues recognized are presented as deferred grant support, if it is expected that the excess will be spent pursuant to the terms of the grant. If the excess is not expected to be spent, it is considered an account payable.

Property, Plant and Equipment

Purchased property, plant and equipment are stated at cost and include expenditures which substantially increase the useful life of the property, plant and equipment. Donated equipment is recorded, as support, at estimated fair market value. Such donations are reported as unrestricted support at their estimated fair value, unless the donor has restricted the donated asset to a specific purpose. Plant and equipment are depreciated using the straight-line method, over its estimated useful life (building 40 years and equipment 7 years). The Society's policy is to capitalize all expenditures of property, plant and equipment with a cost in excess of \$500.

Donated Services and Materials

The Society recognizes donated services if they create or enhance non-financial assets or require specialized skills, which would typically be purchased if not provided by donation. General volunteer services do not meet this criterion for recognition in the financial statements. However, a substantial number of volunteers have donated a significant amount of their time in the Society's volunteer program. The Society also receives a substantial amount of donated food, clothing and household furnishings; however, these donations are not recorded in the books and records of the Society since there is no determinable fair value at the date of donation. The Society accounts for donated services and materials at estimated fair market value. There were no donated services and materials for the year ended December 31, 2013.

Income Tax Status

The Society qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c) (3) and, therefore, no provision for federal or state income taxes has been made. The Society has concluded that there are no uncertain tax positions that would require recognition in the financial statements. If the Society were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties would be recorded as other expense. The Society's conclusions

FATHER MCKENNA'S ST. VINCENT DEPAUL SOCIETY OF SHELTON, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations and interpretations thereof, as well as other factors. Generally, federal and state authorities may examine the Society's tax returns for three years from the date of filing. Consequently, income tax returns for years prior to 2009 are no longer subject to examination by taxing authorities

NOTE 2 – LONG TERM DEBT

At December 31, 2013, long-term debt consisted of the following:

A mortgage note in the original amount of \$204,000 dated April 17, 2007 at a fixed interest rate, for a term of ten years using a twenty year amortization period. Commencing April 17, 2012 to August 16, 2017 the interest payable under the note shall be at the rate of 4.84% per annum until the next rate "Adjustment Date" as defined in the original note. The property and plant have been pledged as security for the mortgage note.	\$ 166,025
Less: current portion	(8,864)
	\$ 157,161

The mortgage note principal payments for the five years following December 31, 2013, and thereafter, are due as follows:

2014	\$ 8,864
2015	9,302
2016	9,763
2017	10,246
2018	10,753
	48,928
Thereafter	108,233
	\$ 157,161

NOTE 3 –RESTATEMENT OF NET ASSETS

The unrestricted net assets were restated as follows:

Net assets at January 1, 2013	\$ 409,867
Adjustment to the mortgage note for payments made in prior year	2,911
NET ASSETS JANUARY 1, 2013, AS RESTATED	\$ 412,778

NOTE 4 – SUBSEQUENT EVENTS

Subsequent events were considered through December 10, 2014 which is the date the financial statements were available to be issued.