



S.V.D.P. Management, Inc. and Consolidated Entities

Consolidated Financial Statements
and Supplemental Schedules
Years Ended December 31, 2020 and 2019



S.V.D.P. Management, Inc. and Consolidated Entities

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Independent Auditors' Report

To the Audit Committee
S.V.D.P. Management, Inc. and Consolidated Entities
San Diego, California

Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of **S.V.D.P. Management, Inc. and Consolidated Entities** (the "Organization"), a nonprofit corporation, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, 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.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of **S.V.D.P. Management, Inc. and Consolidated Entities** as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The statement of financial position of S.V.D.P. Management, Inc. as of December 31, 2020 and 2019, and the related statement of activities for the years then ended, is presented for purposes of additional analysis and is not a required part of the consolidated 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 financial statements or to the financial statements themselves, and 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 consolidated financial statements as a whole.

Mayer Hoffman McCann P.C.

San Diego, California
April 15, 2022

S.V.D.P. Management, Inc. and Consolidated Entities

Consolidated Statements of Financial Position

December 31,	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,174,430	\$ 4,292,280
Investments	3,482,935	872,335
Contributions receivable	3,999,565	2,000,000
Grants receivable	7,464	6,486
Inventory - automobiles	95,521	110,113
Prepaid expenses and other receivables	683,670	11,228,364
Total current assets	13,443,585	18,509,578
Property and equipment:		
Land	19,423,321	17,572,214
Buildings and improvements	174,161,133	162,649,287
Furniture and equipment	5,986,063	7,551,778
	199,570,517	187,773,279
Less accumulated depreciation and amortization	(65,098,088)	(61,950,088)
Construction in progress	51,327,669	11,637,781
Net property and equipment	185,800,098	137,460,972
Contributions receivable, net	3,693,094	5,509,975
Designated cash fund and statutory reserves	4,264,329	4,339,022
Note and accrued interest receivable	4,816,913	4,885,877
Note and accrued interest receivable from St. Vincent de Paul Village, Inc.	3,931,040	3,827,210
Due from St. Vincent de Paul Village, Inc.	2,510,697	1,899,342
Charitable remainder trust	385,429	375,703
Deposits and other assets	332,245	140,579
Total assets	\$ 219,177,430	\$ 176,948,258
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 12,077,226	\$ 6,024,858
Accrued liabilities	746,232	645,694
Current portion of accrued interest	52,931	11,198
Current portion of long-term debt	11,154,441	147,881
Total current liabilities	24,030,830	6,829,631
Accrued interest, net of current portion	11,603,059	10,196,202
Long-term debt, net of current portion	85,399,698	63,011,310
Forgivable debt	6,185,543	4,185,543
Interest rate swap liability	1,558,703	1,296,543
Deferred grant revenue	7,888,538	9,221,822
Total liabilities	136,666,371	94,741,051
Noncontrolling limited partners' interests in real estate limited partnerships	11,549,316	13,673,528
Net assets:		
Without donor restrictions	67,375,307	58,406,399
With donor restrictions	3,586,436	10,127,280
Total net assets	70,961,743	68,533,679
Total liabilities and net assets	\$ 219,177,430	\$ 176,948,258

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

**S.V.D.P. Management, Inc. and
Consolidated Entities**

Consolidated Statements of Activities

<i>Years Ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2020	2019
Revenue, contributions and other:				
Contributions from organizations, foundations and individuals	\$ 42,344	\$ 187,524	\$ 229,868	\$ 9,732,553
Sales of donated goods and automobiles	4,772,426	-	4,772,426	5,811,788
Contract charges for services to St. Vincent de Paul Village, Inc.	3,915,855	-	3,915,855	4,374,674
Rental income	8,059,242	-	8,059,242	7,568,969
Grant income	2,878,726	2,955,000	5,833,726	1,937,686
Interest income	433,506	-	433,506	238,716
Miscellaneous income	1,392,542	-	1,392,542	363,988
Loss on mark-to-market of interest rate swap	(262,228)	-	(262,228)	(290,785)
Change in value of charitable remainder trust	-	9,726	9,726	48,181
Gain on sale of fixed assets	-	-	-	331,094
Net assets released from donor restrictions	9,693,094	(9,693,094)	-	-
Total revenue, contributions and other	30,925,507	(6,540,844)	24,384,663	30,116,864
Expenses and donations:				
Program expenses	15,385,374	-	15,385,374	16,701,707
Administration	5,464,061	-	5,464,061	4,127,048
Fundraising	3,231,376	-	3,231,376	3,508,074
Donation to St. Vincent de Paul Village, Inc.	-	-	-	12,111,460
Total expenses and donations	24,080,811	-	24,080,811	36,448,289
Change in net assets from operations before equity of limited partners in losses of limited partnerships	6,844,696	(6,540,844)	303,852	(6,331,425)
Equity of limited partners in operating results of real estate limited partnerships	2,124,212	-	2,124,212	1,728,105
Change in net assets	8,968,908	(6,540,844)	2,428,064	(4,603,320)
Net assets at beginning of year	58,406,399	10,127,280	68,533,679	73,136,999
Net assets at end of year	\$ 67,375,307	\$ 3,586,436	\$ 70,961,743	\$ 68,533,679

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

**S.V.D.P. Management, Inc. and
Consolidated Entities**

Consolidated Statement of Activities

<i>Year Ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2019
Revenue, contributions and other:			
Contributions from organizations, foundations and individuals	\$ 126,983	\$ 9,605,570	\$ 9,732,553
Sales of donated automobiles	5,811,788	-	5,811,788
Contract charges for services to St. Vincent de Paul Village, Inc.	4,374,674	-	4,374,674
Rental income	7,568,969	-	7,568,969
Grant income	1,937,686	-	1,937,686
Interest income	238,716	-	238,716
Miscellaneous income	363,988	-	363,988
Loss on mark-to-market of interest rate swap	(290,785)	-	(290,785)
Change in value of charitable remainder trust	-	48,181	48,181
Gain on sale of fixed assets	331,094	-	331,094
Net assets released from donor restrictions	2,860,231	(2,860,231)	-
Total revenue, contributions and other	23,323,344	6,793,520	30,116,864
Expenses and donations:			
Program expenses	16,701,707	-	16,701,707
Administration	4,127,048	-	4,127,048
Fundraising	3,508,074	-	3,508,074
Donation to St. Vincent de Paul Village, Inc.	12,111,460	-	12,111,460
Total expenses and donations	36,448,289	-	36,448,289
Change in net assets from operations before equity of limited partners in losses of limited partnerships	(13,124,945)	6,793,520	(6,331,425)
Equity of limited partners in operating results of real estate limited partnerships	1,728,105	-	1,728,105
Change in net assets	(11,396,840)	6,793,520	(4,603,320)
Net assets at beginning of year	69,803,239	3,333,760	73,136,999
Net assets at end of year	\$ 58,406,399	\$ 10,127,280	\$ 68,533,679

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

**S.V.D.P. Management, Inc. and
Consolidated Entities**

Consolidated Statements of Functional Expenses

Year Ended December 31,

	Property Management and Affordable Housing	Vehicle Donation Program	Retail Program	Turning the Key Initiative	Total	Management and General	Fundraising	2020 Total Expenses	2019 Total Expenses
Salaries and Employee Related Expenses	\$ 895,457	\$ 156,171	\$ 2,027,276	\$ -	\$ 3,078,904	\$ 2,927,540	\$ 1,543,807	\$ 7,550,251	\$ 7,509,630
Depreciation and Amortization	4,557,444	-	-	-	4,557,444	-	-	4,557,444	4,421,453
Occupancy	1,501,949	555	189,371	-	1,691,875	211,966	1,821	1,905,662	1,502,079
Interest Expense	1,524,264	-	-	-	1,524,264	154,932	-	1,679,196	1,356,461
Professional Fees	209,644	35,445	33,595	-	278,684	678,473	129,692	1,086,849	2,097,398
Contract Services	148,206	-	81,181	-	229,387	722,614	115,243	1,067,244	705,557
Advertising	454	-	1,330	-	1,784	63,863	825,202	890,849	900,582
Security Services	803,871	-	13,693	-	817,564	54,300	-	871,864	1,208,802
Rent	171,895	-	531,152	34,748	737,795	-	-	737,795	564,554
Repairs and Maintenance	535,318	-	69,746	478	605,542	55,701	5,737	666,980	745,777
Insurance	477,946	13	135,959	-	613,918	43,221	1,789	658,928	586,754
Miscellaneous	145,083	2,255	16,694	-	164,032	287,984	12,071	464,087	498,967
Licenses and Fees	164,526	-	13,962	-	178,488	165,958	111,244	455,690	295,609
Postage and Printing	2,892	-	4,029	-	6,921	22,698	420,598	450,217	471,939
Supplies	166,180	2,649	42,502	1,235	212,566	73,800	18,720	305,086	299,816
Vehicle	-	759	254,278	-	255,037	1,011	-	256,048	304,691
Management and Investor Service Fees	225,157	-	-	-	225,157	-	-	225,157	214,636
Car Prep Expenses	-	177,146	-	-	177,146	-	-	177,146	177,397
Special Events	-	6,428	22,438	-	28,866	-	45,452	74,318	474,727
Donation to St. Vincent de Paul Village, Inc.	-	-	-	-	-	-	-	-	12,111,460
Total	\$ 11,530,286	\$ 381,421	\$ 3,437,206	\$ 36,461	\$ 15,385,374	\$ 5,464,061	\$ 3,231,376	\$ 24,080,811	\$ 36,448,289
% of Total	48%	2%	14%	0%	64%	22%	13%	100%	100%

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

**S.V.D.P. Management, Inc. and
Consolidated Entities**

Consolidated Statement of Functional Expenses

<i>Year Ended December 31,</i>								2019
	Property Management and Affordable Housing	Vehicle Donation Program	Retail Program	Turning the Key Initiative	Total	Management and General	Fundraising	Total Expenses
Donation to St. Vincent de Paul Village, Inc.	\$ -	\$ 1,240,599	\$ -	\$ -	\$ 1,240,599	\$ 10,870,861	\$ -	\$ 12,111,460
Salaries and Employee Related Expenses	700,011	267,604	2,342,898	42,668	3,353,181	2,514,030	1,642,419	7,509,630
Depreciation and Amortization	4,379,632	-	38,702	-	4,418,334	-	3,119	4,421,453
Professional Fees	118,738	90,348	145,054	1,155,119	1,509,259	447,536	140,603	2,097,398
Occupancy	1,116,980	2,234	162,735	57,989	1,339,938	158,458	3,683	1,502,079
Interest Expense	1,356,461	-	-	-	1,356,461	-	-	1,356,461
Security Services	1,172,287	-	31,512	-	1,203,799	5,003	-	1,208,802
Advertising	396	-	-	-	396	405,592	494,594	900,582
Repairs and Maintenance	590,504	4,567	71,588	18,864	685,523	48,299	11,955	745,777
Contract Services	32,897	31,769	304,231	-	368,897	210,323	126,337	705,557
Insurance	424,626	-	132,124	242	556,992	24,999	4,763	586,754
Rent	-	-	362,154	202,400	564,554	-	-	564,554
Miscellaneous	249,219	2,290	45,154	19	296,682	167,594	34,691	498,967
Special Events	-	-	-	-	-	-	474,727	474,727
Postage and Printing	1,384	4	49,619	-	51,007	22,130	398,802	471,939
Vehicle	-	50	303,920	-	303,970	513	208	304,691
Supplies	154,290	1,204	97,131	7,035	259,660	24,508	15,648	299,816
Licenses and Fees	35,573	428	4,676	344	41,021	98,063	156,525	295,609
Management and Investor Service Fees	214,636	-	-	-	214,636	-	-	214,636
Car Prep Expenses	-	177,397	-	-	177,397	-	-	177,397
Total	\$ 10,547,634	\$ 1,818,494	\$ 4,091,498	\$ 1,484,680	\$ 17,942,306	\$ 14,997,909	\$ 3,508,074	\$ 36,448,289
% of Total	29%	5%	11%	4%	49%	41%	10%	100%

S.V.D.P. Management, Inc. and Consolidated Entities

Consolidated Statements of Cash Flows

<i>Year Ended December 31,</i>	2020	2019
Operating activities:		
Change in net assets	\$ 2,428,064	\$ (4,603,320)
Reconciliation of change in net assets to net cash from operating activities:		
Depreciation and amortization	4,557,444	4,415,919
Noncontrolling limited partners' equity in operating results of limited partnerships	(2,124,212)	(1,728,105)
Realized and unrealized gain on investments	(371,002)	(122,188)
Loss on mark-to-market of interest rate swap	262,160	290,785
Change in value of charitable remainder trust	(9,726)	(48,181)
Bad debt expense (recoveries)	(7,510)	18,226
Gain on sale of fixed assets	-	(331,623)
Forgiveness of amounts due from St. Vincent de Paul Village, Inc.	-	8,870,861
Changes in operating assets and liabilities:		
Contributions receivable	(182,684)	(7,504,775)
Grants receivable	(978)	5,670
Inventory- automobiles	14,592	14,900
Prepaid expenses and other receivables	10,552,204	(10,588,081)
Note and accrued interest receivable	68,964	(3,372,816)
Due from St. Vincent de Paul Village, Inc.	(611,355)	(818,200)
Deposits and other assets	(208,574)	5,534
Accounts payable	(2,828,367)	2,223,925
Accrued liabilities	100,538	325,322
Accrued interest	1,448,590	995,372
Deferred grant revenue	(1,333,284)	(1,333,283)
Net cash from operating activities	11,754,864	(13,284,058)
Investing activities:		
Proceeds from sale of fixed assets	-	7,585,724
Purchases of property and equipment	(41,998,927)	(9,587,172)
Increase in note receivable from St. Vincent de Paul Village, Inc.	(103,830)	(245,450)
Purchases of investments	(2,882,486)	(33,000)
Proceeds from sale of investments	642,888	-
Net cash from investing activities	(44,342,355)	(2,279,898)
Financing activities:		
Payments on long-term debt	(2,267,370)	(454,081)
Limited partner capital contributions to limited partnerships	-	10,759,201
Proceeds from short-term debt	11,098,910	-
Proceeds from long-term debt	24,903,408	5,182,384
Net borrowings (payments) on margin loan	(340,000)	340,000
Net cash from financing activities	33,394,948	15,827,504
Net change in cash and restricted cash	807,457	263,548
Cash and restricted cash, beginning of year	8,631,302	8,367,754
Cash and restricted cash, end of year	\$ 9,438,759	\$ 8,631,302

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

S.V.D.P. Management, Inc. and Consolidated Entities

Consolidated Statements of Cash Flows, Continued

<i>Year Ended December 31,</i>	2020	2019
Interest paid	\$ 688,084	\$ 373,242
Income taxes paid	\$ 5,600	\$ 11,300
Supplemental Disclosure of Noncash Investing and Financing Activities		
Cash and restricted cash:		
Cash	\$ 5,174,430	\$ 4,292,280
Restricted cash - see Note 8	\$ 4,264,329	\$ 4,339,022
Total cash and restricted cash	\$ 9,438,759	\$ 8,631,302

In 2020, S.V.D.P. acquired \$10,880,735 of property and equipment additions that are included in accounts payable and debt.

In 2019, S.V.D.P. acquired \$22,911,016 of property and equipment additions that are included in accounts payable and debt.

In 2019, S.V.D.P. recorded a reduction of \$10,695,000 in notes payable as outlined in the settlement agreements as part of the transfer of property and equipment related to 14th & Commercial CIC, L.P. and 14th & Commercial CIC-VHHP, L.P.

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

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(1) Description of Organizations

S.V.D.P. Management, Inc. (“S.V.D.P.”), develops, maintains and leases property, receives and sells donated goods and automobiles and provides contract services for St. Vincent de Paul Village Inc. (the “Village”) which through fundraising activities provides charitable services for the homeless in San Diego, California.

S.V.D.P. is the general partner of Villa Harvey Mandel, L.P., 16th and Market, L.P., 3137 El Cajon Boulevard, L.P., and limited partner and general partner of Village Place Apartments, L.P. Until November 30, 2016, S.V.D.P. was also the general partner of Martha’s Village, L.P. S.V.D.P. is the sole member of Bishop Maher Center, LLC, which is the managing general partner of 15th & Commercial, L.P.

During 2019, S.V.D.P. became the sole member of three new organizations, Benson Place LLC, which the general partner of Benson Place, LP; C14 VHHP, LLC which is the managing General Partner of 14th & Commercial CIC-VHHP, LP and C14 Tower, LLC which is the Managing General Partner of 14th & Commercial CIC, LP. A summary of the limited partnerships are as follows:

Village Place Apartments, L.P.

Village Place Apartments, L.P. (“Village Place”) is a California limited partnership formed to develop and operate affordable housing, including housing that qualifies for low-income housing credits under Section 42 of the Internal Revenue Code (the “Code”). At the date of formation of Village Place, January 16, 1997, S.V.D.P. became the general partner. On June 1, 1997, Columbia Housing Partners Corporate Tax Credit V Limited Partnership was admitted as the sole investment limited partner and Columbia Housing SLP Corporation was admitted to the partnership as a special limited partner. Partnership profits and losses are allocated 0.01% to the general partner and 99.99% to the investment limited partner beginning in 1998.

The partners received approximately \$66,000 annually of federal low-income housing tax credits from California Tax Credit Allocation Committee (“TCAC”) through 2007.

In October 2013, the limited partner and special limited partner sold their Partnership interest to S.V.D.P. and the Village. S.V.D.P. made an investment of \$100 and the Village an investment of \$10. Partnership profits and losses are allocated 0.01% to the general partner and 99.99% to the investment limited partners. A gain on investment in limited partnership of approximately \$328,000 was recorded.

Village Place is operated under a regulatory agreement that regulates rent charges, operating methods and other matters.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(1) Description of Organizations, Cont'd

Villa Harvey Mandel, L.P.

Villa Harvey Mandel, L.P. (“Villa Harvey Mandel”), a California limited partnership, was formed for the purpose of developing, managing, and operating a 90-unit multi-family apartment complex that qualifies for low-income housing credits under Section 42 of the Code to be known as Villa Harvey Mandel Apartments (“VHM”) located in San Diego, California.

From October 19, 2001 to February 12, 2002, the general partner of Villa Harvey Mandel was S.V.D.P., and the limited partner was Father Joe Carroll. On February 12, 2002, the initial limited partner, Father Joe Carroll withdrew from Villa Harvey Mandel and TRGHT, Inc. and The Richman Group Capital Corporation were admitted to the partnership as the investor limited partner and special limited partner, respectively. On February 12, 2002, TRGHT, Inc. withdrew from the partnership as the investor limited partner, and U.S.A. Institutional Tax Credit Fund XXVIII, L.P. was admitted as the investor limited partner. Therefore, beginning on February 12, 2002, the investor limited partner was U.S.A. Institutional Tax Credit Fund XXVIII, L.P. and the special limited partner was The Richman Group Capital Corporation.

Under the amended and restated agreement of limited partnership, the investment partner has contributed approximately \$7,228,000 through December 31, 2007. Villa Harvey Mandel profits and losses are allocated 0.01% to both S.V.D.P. and the special limited partner and 99.98% to the investment partner.

Villa Harvey Mandel expects to generate an aggregate of approximately \$911,000 of low-income housing tax credits on an annual basis from TCAC. The credits became available for use by its partners pro rata over a ten-year period beginning in June 2003. In order to qualify for these credits, Villa Harvey Mandel must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income tenants at rental rates which do not exceed specified percentages of area median gross income for the first 15 years of operation. Villa Harvey Mandel has also agreed to maintain and operate VHM as low-income housing for another 40 years after that period ends.

16th and Market, L.P.

16th and Market, L.P. (“16th and Market”), a California limited partnership, was formed for the purpose of developing, managing and operating a 136-unit multi-family apartment complex that qualifies for low-income housing credits under Section 42 of the Code, to be known as 16th and Market located in San Diego, California.

On April 6, 2007, the partnership was formed with S.V.D.P. as general partner, and Father Joe Carroll, as limited partner (the “initial limited partner”). On May 24, 2007 an amended agreement was filed admitting Chelsea Investment Corporation 16th and Market, LLC (“CIC”), as

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(1) Description of Organizations, Cont'd

administrative general partner. On June 1, 2007, Father Joe Carroll withdrew as the limited partner, U.S.A. Institutional Tax Credit Fund LX, L.P., was admitted as the investment partner and The Richman Group Capital Corporation was admitted as the special limited partner.

In 2007 and 2006, S.V.D.P. received from Ballpark Village, LLC (“BPV”) restricted contributions of approximately \$71,000 and \$1,137,000, respectively, as a reimbursement of certain costs of construction which were invested in 16th and Market. In addition, S.V.D.P. transferred land valued at \$8,000,000 to 16th and Market and obtained a \$1,000,000 loan from the Affordable Housing Program (“AHP”), which was invested in 16th and Market. In 2012 S.V.D.P. contributed cash of approximately \$823,000 to 16th and Market.

BPV contributed approximately \$19,037,000 directly to the partnership in June 2009 which constituted equity credit for S.V.D.P. in accordance with the partnership agreement.

Partnership profits and losses are allocated 0.005% to both S.V.D.P. and the administrative general partner and 99.99% to the investment partner.

The Partnership expects to generate approximately \$2,607,000 in annual low-income housing tax credits from the California TCAC. The tax credits are available for use by the partners pro rata over a ten-year period beginning in 2010. In order to qualify for these credits, 16th and Market must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income tenants at rental rates which do not exceed specified percentages of area median gross income for the first 15 years of operations. The Partnership has also agreed to maintain and operate as low-income housing for another 40 years after that period ends.

3137 El Cajon Boulevard, L.P.

3137 El Cajon Boulevard, L.P. (“Boulevard Apartments”) was formed as a California limited partnership to develop, manage, operate and finance a 24-unit multi-family apartment complex for low-income rental housing that qualifies for low income housing credits under Section 42 of the Code with a filing to the state on August 20, 2007. On September 14, 2007, the partnership formation was completed with S.V.D.P. as the general partner and Father Joe Carroll as the limited partner. On May 1, 2008, the agreement was amended to continue the partnership with S.V.D.P. as the general partner, admit TRGHT, Inc. as the investor limited partner and The Richman Group Capital Corporation, as the special limited partner, Father Joe Carroll withdrew as the initial limited partner. On August 19, 2008, the existing investment partner, TRGHT, Inc. received a full refund of its capital contribution and withdrew from Boulevard Apartments. U.S.A. Institutional Tax Credit Fund LXVII L.P. was admitted as the new investment partner.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(1) Description of Organizations, Cont'd

Under the amended and restated agreement of the limited partnership the investment partner has contributed approximately \$3,651,000. S.V.D.P. transferred land valued at \$1,210,000 and \$400,000 from a HUD construction grant. Profits and losses are allocated 0.01% to S.V.D.P. and 99.99% to the investment partner.

The Partnership expects to generate an aggregate of approximately \$4,017,000 of low-income housing tax credits from TCAC. The tax credits are available for use by the partners pro rata over a ten-year period beginning in 2010. In order to qualify for these credits, Boulevard Apartments must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income housing tenants at rental rates which do not exceed specific percentages of area median gross income for the first 15 years of operations. The Partnership has also agreed to maintain and operate as low-income housing for another 40 years after that period ends.

15th & Commercial, L.P.

15th & Commercial, L.P. ("15th & Commercial") was initially established in June 2009 with S.V.D.P. as the general partner and Father Joe Carroll as the limited partner. In December 2009, the partnership certificate was amended to include 15th & Commercial CIC, LLC as a co-general partner. In April 2011, S.V.D.P. Management and 15th & Commercial CIC were replaced as general partners by Bishop Maher Center LLC. S.V.D.P. is the sole member of this LLC. Father Joe Carroll withdrew as the limited partner and 15th Investment CIC, LLC was admitted as the limited partner.

In April 2011, the Partnership admitted MCAP San Diego, LLC as a Class B limited partner and MCAP IV Special Partner, LLC as special limited partner. Bishop Maher Center, LLC continues as the managing general partner and 15th Investment CIC, LLC remains limited partner. Upon achievement of certain requirements, the Class B limited partner contributed approximately \$1,042,000 to fund a services reserve to fund services of the project. Projected losses of approximately \$11,059,000 are available for allocation to the Class B and special limited partners.

The Partnership was formed for the purpose of development, construction, and operations of a 12-story project that includes a child development center, 150 beds of transitional housing and 64 units of permanent supportive housing. Construction financing closed and the groundbreaking took place in May 2010. The construction of the project was completed in December 2011.

Under the amended and restated Agreement of the Limited Partnership ("Partnership Agreement") profits or losses are allocated 49.90% to the limited partner, 50.08% to the Class B limited partner, 0.01% to the special limited partner, and 0.01% to the managing general partner.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(1) Description of Organizations, Cont'd

Benson Place, L.P.

Benson Place, L.P. was formed in May 2019 as a California Limited partnership, between S.V.D.P., the Managing General Partner and Deacon Jim F. Vargas as initial limited partner.

In September 2019, S.V.D.P. withdrew as General Partner and Benson Place, LLC was admitted as General Partner with one-hundredths percent (0.01%) interest. In November 2019, U.S.A Institutional Hollister LLC, a Delaware limited liability company was admitted with ninety-nine and ninety-nine hundredths percent (99.99%) interest, replacing Deacon Jim F. Vargas as the Investor Limited Partner. Also during November 2019, The Richman Group Capital Corporation, a Delaware corporation was admitted as its Special Limited Partner with no ownership.

Benson Place, LLC was formed in September 2019 with S.V.D.P. as the sole Member and Manager. Benson Place, LLC is the Managing General Partner of Benson Place, L.P.

Benson Place, LLC and Benson Place, L.P. were formed for the purpose of acquisition, development, construction and operation of a low income rental housing project and associated service facilities currently known as Benson Place.

Construction and rehabilitation was completed in July 2020, and Benson Place started accepting occupants in August 2020.

The Partnership expects to generate an aggregate of approximately \$13,280,000 of low-income housing tax credits from TCAC. The tax credits are available for use by the partners pro rata over a ten-year period beginning in 2019. In order to qualify for these credits, Benson Place L.P. must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income housing tenants at rental rates which do not exceed specific percentages of area median gross income for the first 15 years of operations. The Partnership has also agreed to maintain and operate as low-income housing for another 40 years after that period ends.

14th & Commercial CIC, L.P. and 14th & Commercial CIC-VHHP, L.P.

14th & Commercial CIC, L.P. ("Tower") was formed in July 2017 as a California Limited partnership, between S.V.D.P., the Managing General Partner; CIC 14th & Commercial, LLC, the Administrative General Partner and Sage Too Investment Corporation, the Initial Limited Partner. In December 2019, the Initial Managing General Partner withdrew and C14 Tower, LLC was admitted as the new Managing General Partner. In December 2019, the Initial Limited Partner withdrew and RJ HOF 62-14th and Commercial CIC LLC was admitted as the Investor Limited Partner. All profits, losses and distributions are shared one-hundredth of one percent (0.01%) by the Managing General Partner, one percent (1%) by the Administrative General Partner and ninety-eight and ninety-nine hundredths (98.99%) by the Initial Limited Partner.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(1) Description of Organizations, Cont'd

14th & Commercial CIC-VHHP, L.P. (“VHHP”) was formed in April 2019 as a California partnership between S.V.D.P., the Managing General Partner; CIC-VHHP 14th & Commercial, LLC, the Administrative General Partner and Sage Too Investment Corporation, the Initial Limited Partner. In December 2019, the Initial Managing General Partner withdrew and C14 VHHP, LLC was admitted as the new Managing General Partner. In December 2019, the Initial Limited Partner withdrew and RJ HOF 62-14th and Commercial CIC-VHHP LLC was admitted as the Investor Limited Partner. All profits, losses and distributions are shared one-hundredth of one percent (0.01%) by the Managing Partner, one percent (1%) by the Administrative General Partner and ninety-eight and ninety-nine hundredths (98.99%) by the Investor Limited Partner.

C14 Tower, LLC was formed in October 2019 with S.V.D.P. as the sole Member and Manager. C14 Tower, LLC is the Managing General Partner of 14th & Commercial CIC, L.P. with 0.01% interest.

C14 VHHP, LLC was formed in October 2019 with S.V.D.P. as the sole Member and Manager. C14 VHHP, LLC is the Managing General Partner of 14th & Commercial CIC-VHHP, L.P. with 0.01% interest.

Tower was formed for the purpose of development, construction and operation of a 326-unit multifamily residential project. VHHP was formed for the purpose of development, construction and operation of an 81-unit residential project. Collectively the projects include 407 units and will be known as St. Teresa of Calcutta Village (“STOCV”).

Financing closed in December 2019, and construction of STOCV was ongoing throughout 2020 and completed in 2021.

The Partnerships expects to generate an aggregate of approximately \$62,856,000 of low-income housing tax credits from TCAC. The tax credits are available for use by the partners pro rata over a ten-year period beginning in 2022. In order to qualify for these credits, Tower and VHHP must comply with various federal and state requirements. These requirements include, but are not limited to, renting to low-income housing tenants at rental rates which do not exceed specific percentages of area median gross income for the first 15 years of operations. The Partnership has also agreed to maintain and operate as low-income housing for another 40 years after that period ends.

All of the Partnerships will continue to operate until such date as determined by the limited partnership agreements or until terminated in accordance with the provisions of the applicable partnership agreements.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(1) Description of Organizations, Cont'd

The National AIDS Foundation (“NAF”) is an affiliated organization which was created to provide charitable assistance to persons afflicted with AIDS. NAF maintains no assets, liabilities, revenue or expenses and has not received any direct donations during 2020 or 2019.

Principles of consolidation

S.V.D.P., Village Place, Villa Harvey Mandel, 16th and Market, Boulevard Apartments, 15th & Commercial, Bishop Maher Center, LLC, Benson Place LP, Benson Place, LLC, 14th & Commercial CIC, LP, CIC 14th & Commercial, LLC, 14th & Commercial CIC-VHHP, LP and CIC-VHHP 14th & Commercial, LLC have been consolidated and all material partner agency transactions and accounts have been eliminated in the accompanying consolidated financial statements.

(2) Summary of Significant Accounting Policies

Basis of accounting

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with authoritative guidance. Accordingly, S.V.D.P. is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets without donor restrictions are free of donor-imposed restrictions. All revenues, gains, and losses that are not restricted by donors are included in this classification. All expenditures are reported in the without donor restrictions class of net assets, including expenditures funded by restricted contributions. Expenditures funded by restricted contributions are reported in the without donor restrictions net asset class because the use of restricted contributions in accordance with donors’ stipulations results in the release of such restrictions.

Net Assets With Donor Restrictions – Net assets with donor restrictions are limited as to use by donor-imposed stipulations that may expire with the passage of time or that may be satisfied by action of S.V.D.P. Net assets with donor restrictions are designated by donors for specific purposes, and include unconditional pledges, split-interest agreements and interests in trusts held by others.

Expirations of restrictions on net assets as the result of the passage of time and/or fulfilling donor-imposed stipulations are reported as net assets released from restrictions between the applicable classes of net assets in the consolidated statements of activities.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

Cash and cash equivalents

S.V.D.P.'s cash consists of cash on deposit with banks. Cash equivalents represents money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Investments

S.V.D.P. carries investments in equity securities with readily determinable fair values and investments in debt securities at fair value with realized and unrealized gains and losses included in the consolidated statements of activities in accordance with authoritative guidance.

Investments consist of marketable securities and are accounted for as follows:

Marketable securities consist of mutual funds, equity, and fixed income securities and are recorded at fair market value. The fair value of investments in securities is based on quoted market prices and is valued at the closing price on the last business day of the year.

Realized gains and losses on the sale of investments are calculated using the specific-identification method. Unrealized gains and losses represent the change in the fair market value of the individual investments for the period or since the acquisition date, if acquired during the period, and are recorded as a component of net assets without donor restrictions, unless restricted by donor.

Donated investments are initially recorded at fair value on, or near, the date of gift.

Contributions receivable

S.V.D.P. records contributions, pledges and bequests consisting of cash and other assets by donors at fair value in the period in which the commitment is made. Conditional promises to give are recognized when the conditions are substantially met in accordance with authoritative guidance for non-profit organizations. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a current risk-adjusted interest rate. Accretion of the discount is included in contribution revenue.

S.V.D.P. provides for losses on contributions receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of donors to meet their obligations. Receivables are written off when deemed uncollectible.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

Grants receivable

S.V.D.P. is awarded grants from federal, state, county and city agencies. Grant revenue is recognized as revenue when the related program costs are incurred.

All receivables are unsecured and thus, are subject to credit risk.

Inventory

Inventory consists primarily of donated automobiles. Donated automobiles are stated at estimated fair value at the time of donation.

Property and equipment

Property and equipment is stated at cost. Depreciation and amortization are provided for using the straight-line method over the estimated useful lives of the assets, which range from five to forty years. Leasehold improvements are amortized over the shorter of the life of the asset or the lease term. All items with a value of \$5,000 or greater are capitalized. Depreciation and amortization expense related to property and equipment was approximately \$4,557,000 and \$4,421,000 for the years ended December 31, 2020 and 2019, respectively.

S.V.D.P. capitalizes interest cost related to the development and construction of property and equipment. The capitalized interest is recorded as part of the asset it relates to and will be amortized over the asset's useful life once the asset is ready for its intended use. Approximately \$252,000 and \$527,000 of interest was capitalized in 2020 and 2019, respectively.

Long-lived assets

S.V.D.P. records impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. S.V.D.P. determined there was no impairment at December 31, 2020 or 2019.

Property held for sale

Property held for sale is stated at the lower of its carrying amount or fair value less cost to sell. Impairment losses are recorded when indicators of impairment are present and the undiscounted estimated cash flows from the property are less than the carrying value.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

Due to/from related parties

Amounts reported as due to/from related parties, included in the accompanying statements of financial position, arise typically from the collaborative activities between the Village and S.V.D.P. as documented in Note 4 to further the mission of the organization.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Grant revenue

S.V.D.P. is awarded grants from federal, state, county and city agencies. Grant revenue is most appropriately classified as conditional contributions, and therefore, revenue is recognized as conditions are met, which is typically when services are performed.

Sales of donated goods

S.V.D.P. recognizes revenue related to the sale of donated automobiles, furniture, clothing and other items at the time of sale.

Functional expenses

The cost of providing various programs and services has been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and services benefited. Such allocations are determined by management on an equitable basis.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

Functional expenses, cont'd

The expenses that are allocated include the following:

Expense	Method of Allocation
Rent	Square Footage
Utilities	Square Footage
Admin Allocation Contract	Head Count and Expenditure Disbursement

Advertising

S.V.D.P. expenses advertising costs as incurred. Advertising costs for the years ended December 31, 2020 and 2019 were approximately \$891,000 and \$901,000, respectively.

Derivative financial instruments

S.V.D.P. makes limited use of derivative instruments for the purpose of managing interest rate risks. Interest rate swap agreements are used to convert S.V.D.P.'s floating rate long-term debt to a fixed interest rate. As required by authoritative guidance, S.V.D.P. recognizes all derivatives as either assets or liabilities in the consolidated statements of financial position and measures those instruments at fair value. Changes in fair value of those instruments are reported in the consolidated statements of activities.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of credit risk

Financial instruments which potentially subject S.V.D.P. to concentrations of credit risk consist primarily of cash and cash equivalents and investments. S.V.D.P. maintains its cash and cash equivalents and investments with high credit quality financial institutions. At times, such amounts may exceed federally insured limits. S.V.D.P. has not experienced any losses in such accounts. Management believes that S.V.D.P. is not exposed to any significant credit risk with respect to its cash and cash equivalents and investments.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

Income taxes

S.V.D.P. is exempt from income taxes on the basis that it qualifies under Section 501(c)(3) of the Internal Revenue Code and Section 23701 (d) of the California Revenue and Taxation Code. All tax-exempt entities are subject to review and audit by federal, state and other applicable agencies. Such agencies may review the taxability of unrelated business income, or the qualification of the organization as a tax-exempt entity under Internal Revenue Code 501(c)(3) and applicable state statutes. At December 31, 2020, the federal statute of limitation remains open for the 2017 through 2020 tax years and the statute of limitations for the state income tax returns remains open for the 2016 through 2020 tax years.

Reclassifications

Certain amounts in the 2019 consolidated financial statements have been reclassified to conform with the 2020 classifications. These reclassifications have no effect on reported net assets or change in net assets.

New accounting pronouncements

In February 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (Topic 842), which requires an entity to recognize lease assets and lease liabilities on the balance sheet for leases with terms of more than 12 months and to disclose key information about leasing arrangements. In November 2019, the FASB issued ASU 2019-10 which amended the effective dates of certain major new accounting standards, including ASC 842, to give implementation relief to certain types of entities. In June 2020, the FASB issued ASU 2020-05 which further deferred the effective date for the adoption of Topic 842 which is now fiscal years beginning after December 15, 2021. The Company is currently evaluating the impact that this adoption will have on its financial statements.

(3) Availability and Liquidity

As indicated by the accompanying consolidated financial statements, S.V.D.P. has in excess of approximately \$9,500,000 in available liquid assets. Current liabilities are \$24,000,000 as at December 31, 2020, but this includes short term debt of \$11,100,000 on the Benson property which will be paid down with funds received from the investment partner. Current liabilities excluding that debt is \$12,900,000. Because of this, S.V.D.P. will not be hindered in its ability to meet its obligations.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(3) Availability and Liquidity, Cont'd

S.V.D.P.'s financial assets are comprised of the following:

<i>December 31,</i>	2020
Financial assets at year-end:	
Cash and cash equivalents	\$ 5,174,430
Investments	3,482,935
Contributions receivable	7,692,659
Grants receivable	7,464
Other accounts receivable	109,705
Designated cash fund and statutory reserves	4,264,329
Note and accrued interest receivable	4,816,913
Due from St. Vincent de Paul Village, Inc.	2,510,697
Charitable remainder trust	385,429
Deposits and other assets	332,245
Total financial assets	28,776,806
Net assets with donor restrictions	3,586,436
Less net assets with restrictions to be met in less than a year	(146,007)
Receivables and other assets scheduled to be collected in more than a year	15,855,224
	19,295,653
Financial assets available to meet general expenditures over the next twelve months	\$ 9,481,153

(4) Related Party Transactions

Related party rental income

S.V.D.P., Village Place and 15th & Commercial lease property for the various operating activities of the Village and under long-term operating leases expiring at various dates through 2028. Generally these leases are adjusted annually for changes in the Consumer Price Index.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

Related party rental income, cont'd

Aggregate minimum lease payments expected to be received by S.V.D.P., Village Place and 15th & Commercial from the Village's operating activities in the years subsequent to December 31, 2020 and thereafter are as follows:

<i>Year Ending December 31,</i>	
2021	\$ 775,580
2022	791,500
2023	278,402
2024	30,148
2025	31,203
Thereafter	32,297
Total	\$ 1,939,130

Included in rental income were amounts from Village of approximately \$2,840,000 and \$2,830,000 in 2020 and 2019, respectively.

15th & Commercial operating subsidy and Common Area Maintenance (CAM) charges from St. Vincent de Paul Village, Inc.

An operating subsidy is mandated by the 15th & Commercial transitional housing lease. Per the lease agreement, on December 3rd of each calendar year the Village shall pay 15th & Commercial a subsidy payment in an amount equal to the Section 42 Breakpoint less the amount of property expenses that the Village paid for the calendar year. This payment is to supplement the difference between the maximum allowable TCAC rent rate charged to tenants and the cost to maintain the units. The subsidy was approximately \$100,000 and \$40,000 in 2020 and 2019, respectively.

The Village pays CAM charges for the property leased from 15th & Commercial. The CAM charges were approximately \$618,000 and \$683,000 in 2020 and 2019, respectively.

Related party rental expense

On July 1, 2018, S.V.D.P. entered into a long-term operating sub-lease for Single Residence Occupancy units on the sixth and seventh floors of the 1506 Commercial Street building with Village. The original monthly rent amount per the sub-lease agreement is \$16,667 with an annual adjustment for consumer price index ("CPI"), beginning 12 months from the date S.V.D.P. entered into the sub-lease, expiring June 30, 2023. S.V.D.P.'s rental expense was approximately \$206,000 and \$202,000 for 2020 and 2019, respectively. The CAM charges were approximately \$213,000 and \$68,000 for 2020 and 2019, respectively.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

Contract services with St. Vincent de Paul Village, Inc.

During 2020 and 2019, S.V.D.P. had service contracts with the Village to provide administrative, development and grant services. The charges under these contracts were approximately \$3,916,000 and \$4,374,000 in 2020 and 2019, respectively.

Due from St. Vincent de Paul Village, Inc.

S.V.D.P. pays for services on behalf of Village and provides cash advances from time to time. The Village owed S.V.D.P. approximately \$2,511,000 and \$1,900,000 as of December 31, 2020 and 2019, respectively. In 2019, S.V.D.P. forgave approximately \$8,871,000 of the amount due, which is presented on the Statement of Activities as contributions to Village.

Note and interest receivable due from St. Vincent de Paul Village, Inc.

A note receivable from St. Vincent de Paul Village was established in 2018 with a principal amount of \$2,030,000. This note represents a reclassification of cash advances previously recorded as Due from St. Vincent de Paul Village, Inc. for the period of 2014 through 2017 funding any operating losses of the Medical Clinic, a Federally Qualified Health Clinic ("FQHC"). The receivable amount may increase year over year based upon the Uniform Data Systems ("UDS") Reporting, which is a standardized reporting system that provides consistent information about health centers. The principal of the note will be adjusted no less often than annually based on the total costs of operations as defined by the UDS, Table 8A. The note bears simple interest at the rate of 3% per annum. The term is five years with auto-renewal for consecutive periods of two years unless terminated by either Party. Payment of the loan shall be determined and mutually agreed upon by both parties but no later than the date that the FQHC becomes cash accretive. Interest income was approximately \$104,000 and \$99,000 for 2020 and 2019, respectively. Interest receivable was approximately \$470,000 and \$366,000 as of December 31, 2020 and 2019. The principal amount due is \$3,461,000 as of December 31, 2020 and 2019.

Contributions to St. Vincent de Paul Village, Inc.

S.V.D.P. made donations to support the operations of the Village of \$3,240,000 in 2019. During 2019, \$2,000,000 of the donations represent a non cash contribution from S.V.D.P. to pay off the Village's line of credit. No donations were made during 2020.

Pass through grant from St. Vincent de Paul Village, Inc.

The Village has been awarded a grant from the Department of Housing and Urban Development to fund the continuum of care program for Boulevard Apartments housing facilities. The Village passed through approximately \$28,000 and \$26,000 of continuum of care funding to S.V.D.P. in both 2020 and 2019.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(5) Prepaid Expenses, Other Receivables and Note Receivable

Prepaid expenses and other receivables

S.V.D.P.'s prepaid expenses and other receivables are comprised of the following:

<i>December 31,</i>	2020	2019
Accounts receivable	\$ 389,376	\$ 10,444,506
Prepaid expenses	294,294	783,858
Prepaid expenses and other receivables	\$ 683,670	\$ 11,228,364

Note and accrued interest receivable

In September 2019, S.V.D.P. sold property in Indio, California in exchange for a note receivable in the amount of \$4,772,056 with interest at the rate of 2.88% per annum for 39 years. Commencing on December 1, 2020 and due on the same date for 39 years thereafter the borrower will make annual payments of principal and interest in the amount of \$208,209 (the "Annual Payment"). Within five business days of the receipt of each Annual Payment, S.V.D.P. may make a donation to the borrower in immediately available funds in the exact amount of such Annual Payment received by S.V.D.P.

The above annual donation from S.V.D.P. to the borrower is contingent upon; a) the borrower making timely Annual Payments, b) the borrower operating the property in compliance with regulatory requirements and c) the borrower maintaining the property in effective operating condition. Should any such contingency not be met, no donation would occur for that year. At December 31, 2020 and 2019, approximately \$4,817,000 and \$4,886,000, respectively, which includes interest receivable of approximately \$45,000, was due.

(6) Debt

Long-term debt consisted of the following at December 31:

	2020	2019
Note payable due in May 2022 held by S.V.D.P., bears interest at 3%. The unsecured loan requires interest only payments quarterly, which are deferred if cash is not available at the date due. The loan is to provide working capital for services to clients or predevelopment cost of new facilities.	\$ 500,000	\$ 500,000
Mortgage note payable in monthly installments of \$7,195 through 2027 held by Village Place, bears interest at 6% and is collateralized by property and equipment.	483,050	538,581

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(6) Debt, Cont'd

	2020	2019
<p>Note held by Villa Harvey Mandel payable to San Diego Housing Commission in annual installments commencing April 1, 2004 of the greater of 50% of the Project's residual receipts as defined in the loan agreement or \$27,034, applied first to unpaid interest and then to principal. The term is fifty-five years, due February 1, 2057 with interest at 5.6%, secured by a deed of trust. In years prior to 2018, the interest was compounded annually and added to principal in April of each year. Effective 2018, the San Diego Housing Commission changed the interest calculation from compounding annually to a per diem rate. The per diem amount increases annually and includes the principal along with the accrued interest compounded in February of each year. Accrued interest of \$2,288,392 and \$2,086,487 for the year ended December 31, 2020 and 2019, respectively, has been classified as such on the balance sheets to reflect the original note payable principal of \$2,000,000. Interest payments of \$27,034 were paid by the Partnership in both 2020 and 2019.</p>	2,000,000	2,000,000
<p>Loan payable by Villa Harvey Mandel in annual installments commencing April 1, 2004 of the remaining balance of the residual receipts calculation under the Order of Priority as defined in Section 8 (b) of the loan agreement. The term is 55 years, due September 30, 2057 with interest at 5%, secured by a deed of trust, a security agreement, an assignment of rent and leases, and an assignment of agreements.</p>	920,000	920,000
<p>In May 2010, 16th and Market entered into an agreement with the Department of Housing and Community Development in the form of a Multi Housing Program ("MHP") loan. The term of the loan is 55 years. Interest on the unpaid principal balance shall accrue at the simple interest rate of 3% per annum. Payments in the amount of 0.42% per annum on the unpaid principal balance of the loan shall commence on the last day of the initial operating year and continue up to and including the 29th year of the loan. In the 30th year of the loan, and continuing annually thereafter, payments will be the lesser of the full amount of interest accruing on the unpaid principal or an</p>		

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(6) Debt, Cont'd

	2020	2019
<p>amount determined that is necessary to cover the costs of continued monitoring for compliance. The loan is collateralized by a deed of trust on the properties and assignment of rents.</p>	10,000,000	10,000,000
<p>In June 2007, 16th and Market closed construction financing with a bank and received proceeds from Series B bonds issued by the Housing Authority of the City of San Diego for \$3,010,000. A deed of trust was recorded on the property. The maturity date of the loan is December 1, 2044. Interest accrues at 6.15% after conversion to permanent financing. Interest and principal are due monthly.</p>	2,632,273	2,677,916
<p>In May 2008, Boulevard Apartments entered into a residual receipts loan agreement with the Redevelopment Agency of the City of San Diego for a maximum of \$2,400,000. The note bears simple interest at the rate of 3% per annum. The term is 55 years with 50% of residual receipts paid to the agency in years 1 through 30 and 80% in years 31 through 55. The note is secured by a deed of trust.</p>	2,400,000	2,400,000
<p>In February 2009, Boulevard Apartments entered into a residual receipts loan agreement with the San Diego Housing Commission for a maximum of \$600,000. The note bears simple interest of 3% per annum. The term is 55 years with a required payment of 10% of the annual receipts for years 2012 through 2039 and 16% from 2040 through 2063. The note is secured by a deed of trust. All principal and accrued interest is due December 31, 2063.</p>	600,000	600,000
<p>In December 2010, Boulevard Apartments entered into a loan agreement with the Department of Housing and Community Development for the Multi Housing-Supportive Housing Program for a maximum of \$2,081,535. The note bears simple interest of 3% per annum. The term is 55 years with a required payment of 0.42% per annum on the unpaid principal balance of the loan commencing on the last day of the initial operating year and continuing up to and including the 29th anniversary of the interest payment date. Commencing on the 30th anniversary of the interest payment date and continuing annually thereafter,</p>		

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(6) Debt, Cont'd

	2020	2019
<p>loan payments are due in an amount equal to the lesser of the full amount of interest accruing on the unpaid principal for the immediately preceding 12 month period, or the amount determined necessary to cover the costs of continued monitoring for compliance by the requirements of the program. Additional payments are required from net cash flow towards repayment of the loan. Secured by a deed of trust on the property.</p>	2,081,535	2,081,535
<p>In May 2010, 15th & Commercial entered into a residual receipts loan agreement with the Redevelopment Agency of the City of San Diego for a maximum of \$7,300,000 secured by a deed of trust. The note bears simple interest at the rate of 3% per annum. The term is 55 years with 50% of residual receipts paid to the agency in years 1 through 30 and 80% in years 31 through 55.</p>	6,674,196	6,674,196
<p>In May 2010, 15th & Commercial entered into a residual receipts loan agreement with the Mental Health Services Act Housing Program (“MHSA”) for a maximum of \$2,357,000 secured by an MHSA deed of trust. The term is 55 years and the note bears simple interest at the rate of 3% per annum. Annual payments of accrued interest and outstanding principal shall be made from 19% of the residual receipts and the initial payment date will be April 1st of the first full fiscal year following the Certificate of Occupancy. Secured by a deed of trust on the property.</p>	2,357,000	2,357,000
<p>Note payable to the San Diego Housing Commission by 15th & Commercial not to exceed \$3,500,000. The term is 55 years, due January 1, 2066 with interest at 3% and is secured by a deed of trust. On May 1, 2012 and annually on May 1st of each year thereafter during the term of the note, residual receipts shall be calculated for the immediately previous calendar year and a commission of 18% of such residual receipts shall be paid to the San Diego Housing Commission. A one-time payment of \$299,941 was due and paid in January 2013; applied to both principal and interest.</p>	3,463,813	3,463,813

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(6) Debt, Cont'd

	2020	2019
<p>Note payable to California Tax Credit Allocation Committee with a maturity date of May 12, 2065 and no stated interest rate. Note is secured by a deed of trust on the property.</p>	6,637,597	6,637,597
<p>In December 2019, 14th & Commercial VHHP entered into a Home agreement with the San Diego Housing Commission for a housing commission loan up to \$5,350,000 to fund the development of the residential units at One 14th Street, San Diego. Of this \$2,900,000 was funded through HUD and a total of \$2,137,500 was held back at closing for construction. The loan matures on May 1, 2077 and bears an interest rate of 3%. On May 31, 2023 and annually thereafter, payments of 17.43% of residual receipts are required, with all principal and unpaid interest payable by the maturity date of May 1, 2077.</p>	3,222,500	3,212,500
<p>In December 2019, 14th & Commercial VHHP entered into a loan agreement with Citibank for \$22,000,000 to cover both construction and permanent financing of 88 residential units located at One 14th Street, San Diego. The construction loan of up to \$21,945,000 is converted to a permanent loan on January 1, 2023 (which date can be extended) and bears interest at Libor plus 1.75% (1.90% at December 31, 2020), with payment terms of interest only up to the conversion date. From the conversion date to maturity date of January 1, 2054, the loan has monthly payments of principal and interest amortizing the permanent loan amount over 20 years at a rate of 4.11%. On the maturity date a balloon payment is required to pay any unpaid principal or interest remaining.</p>	5,276,279	55,000
<p>In December 2019, 14th & Commercial CIC entered into a Home agreement with the San Diego Housing Commission for a housing commission loan up to \$6,150,000 to fund the development of the residential units at One 14th Street, San Diego. Of this \$3,800,000 was funded through HUD and a total of \$1,537,500 was held back at closing for construction. The loan bears an interest rate of 3%. On May 31, 2023 and annually thereafter, payments of 5.39% of residual receipts are required, with all principal and unpaid interest payable by the maturity date of May 1, 2077.</p>	4,622,500	4,612,500

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(6) Debt, Cont'd

	2020	2019
<p>In December 2019, 14th & Commercial CIC entered into a loan agreement with Citibank for \$91,555,000 to cover both construction and permanent financing of 326 residential units located at One 14th Street, San Diego. The construction loan of up to \$85,232,875 is converted to a permanent loan on January 1, 2023 (which date can be extended) and bears interest at Libor plus 1.75% (1.90% at December 31, 2020), with payment terms of interest only up to the conversion date. From the conversion date to maturity date of January 1, 2054, the loan has monthly payments of principal and interest amortizing the permanent loan amount over 20 years at a rate of 4.11%. On the maturity date a balloon payment is required to pay any unpaid principal or interest remaining.</p>	22,328,162	6,322,125
<p>In November 2019, Benson Place, L.P. entered into a Promissory Note in the amount \$12,030,000, with an interest rate of 4.10% per annum. Interest on the note is payable on the first day of each month, commencing on December 1, 2019. The entire outstanding balance together with all accrued and unpaid interest is due and payable in its entirety on the maturity date, July 21, 2021.</p>	11,098,910	2,119,849
<p>In November 2019, Benson Place L.P. entered into a loan agreement with The San Diego Housing Commission in the amount of \$4,860,000 with simple interest accruing annually at a rate of 4%. The Promissory Note proceeds are in consideration of certain acquisition, rehabilitation, and permanent financing arrangements. During rehabilitation, the Promissory Note is recourse and upon completion the Promissory Note transfers to non-recourse for the remainder of the term. Payments begin May 31, 2021 and are made annually on May 31 of each year thereafter. Payments are calculated as 21.1% of the residual receipts for the previous calendar year.</p>	4,374,000	3,645,000
<p>In December 2020, 14th & Commercial CIC, LP entered into a Promissory Note in the amount \$14,000,000, with an interest rate of 3.00% per annum. Interest on the note is payable on the first day of each month, commencing on January 1, 2021. The entire outstanding balance together with all accrued and unpaid interest is due and payable in its entirety on the maturity date, December 6, 2074.</p>	2,927,091	-
<p>Note of \$2,000,000 payable in monthly installments of principal and interest of \$12,075 through 2029 with a balloon payment of \$1,506,845 due September 25, 2029 held by S.V.D.P. The note bears interest of the prime rate plus a margin of 0.25% (3.50% at December 31, 2020) and is secured by deed of trust and assignment of rents.</p>	1,944,154	1,984,094

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(6) Debt, Cont'd

	2020	2019
A revolving line of credit from Merrill Lynch secured by its investments in the amount of \$340,000 with a fluctuating interest rate measured at the spread plus Libor.	-	340,000
Other debt	11,079	17,485
Total debt	96,554,139	63,159,191
Less current portion	(11,154,441)	(147,881)
Long-term portion	\$ 85,399,698	\$ 63,011,310

Maturities of long-term debt in each of the five years subsequent to December 31, 2020 and thereafter are as follows:

<i>Year Ending December 31,</i>	<i>Amount</i>
2021	\$ 11,154,441
2022	659,645
2023	165,006
2024	173,791
2025	179,681
Thereafter	84,221,575
Total	\$ 96,554,139

Forgivable debt consisted of the following as of December 31:

	2020	2019
Redevelopment Agency of the City of San Diego (RDA) loan payable to a bank by S.V.D.P. on behalf of Village Place, forgivable in 2028 and secured by a deed of trust. Interest accrues at 3%. The loan is forgivable as long as the Village Place is in compliance with specific affordable housing requirements.	\$ 460,000	\$ 460,000
Affordable Housing Program (AHP) loan payable to a bank by Villa Harvey Mandel, forgivable in 2020 and secured by a deed of trust, a security agreement, an assignment of rents, and fixture filing. Interest accrues at 1%. The loan is forgivable as long as the Villa Harvey Mandel is in compliance with specific affordable housing requirements.	900,000	900,000

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(6) Debt, Cont'd

	2020	2019
AHP loan payable to bank by S.V.D.P. on behalf of 16th and Market. The loan is forgivable 15 years from January 2009, the date of completion of 16th and Market, and interest does not accrue, as long as 16th and Market is in compliance with specific affordable housing requirements. The loan is collateralized by a deed of trust on the property.	1,000,000	1,000,000
AHP loan payable to bank by S.V.D.P. on behalf of 14th & Commercial, CIC, LP. The loan is forgivable 15 years from December 2036 and interest does not accrue, as long as 14th & Commercial, CIC, LP is in compliance with specific affordable housing requirements. The loan is collateralized by a deed of trust on the property with assignment of leases and rents, security agreement and fixture filing.	2,000,000	-
AHP loan payable to bank by S.V.D.P. on behalf of 15th & Commercial. The loan is forgivable 15 years from December 2011, the date of completion of 15th & Commercial, and interest does not accrue, as long as 15th & Commercial is in compliance with specific affordable housing requirements. The loan is collateralized by a deed of trust on the property with assignment of leases and rents, security agreement and fixture filing.	1,500,000	1,500,000
AHP loan payable to bank by S.V.D.P. on behalf of Boulevard Apartments. The loan is forgivable in 2024 and interest does not accrue, as long as Boulevard Apartments is in compliance with specific affordable housing requirements. The loan is collateralized by a deed of trust on the property with assignment of rents, security agreement and fixture filing.	325,543	325,543
Total forgivable debt	\$ 6,185,543	\$ 4,185,543

The agreements with the banks require that S.V.D.P. maintain certain financial and non-financial loan covenants. Management believes they are in compliance with, or have obtained waivers for, all debt covenants at December 31, 2020.

In December 2019, S.V.D.P. applied for a subsidy through Union Bank from the State of California Department of Housing and Community Development Affordable Housing program in the amount of \$2,000,000. These funds are to be used in the construction of 326 units of low

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(6) Debt, Cont'd

income housing known as 14th & Commercial. This subsidy was awarded in September 2020 and is financed through a loan from Union Bank. In October 2020, S.V.D.P. used these proceeds to make a loan of the full amount to 14th & Commercial CIC, LP to partially construct the units. This loan is secured by a promissory note from 14th & Commercial CIC, LP which will be pledged to Union bank as collateral from S.V.D.P.

Interest rate swap

16th and Market entered into an interest rate swap agreement, with a trade date of June 22, 2007, with a bank to reduce the exposure to the floating interest rate of Libor plus a spread as defined in the agreement. The rate was 0.98% and 2.28% at December 31, 2020 and 2019, respectively. The interest rate swap agreement became effective on December 1, 2009. This swap set the interest rate at 6.15% and the notional amount begins with \$3,010,000 and declines monthly through the term which expires December 1, 2044. At December 31, 2020 and 2019, the notional principal amount under the interest rate swap agreement totaled approximately \$2,632,000 and \$2,678,000, respectively. At December 31, 2020 and 2019, the estimated fair value of the interest rate swap agreement was a liability of approximately \$1,559,000 and \$1,297,000, respectively.

The change in fair value on the interest rate swap agreement was a loss of approximately \$262,000 and \$291,000 for the year ended December 31, 2020 and 2019, respectively.

(7) Contingent Liability

In July 2020, S.V.D.P entered into a Master Loan agreement with a bank. The amount available under the agreement is \$3,000,000 and has a maturity date of July 13, 2030. As of the date of issuance of these financial statements, S.V.D.P has not drawn down on the loan.

In May 2012, the Village obtained a revolving line of credit (“LOC”) from a bank which allowed for advances up to \$2,000,000 and required interest only payments with a maturity date of July 16, 2019. The monthly interest payments are calculated using the prime rate plus 1.0%.

S.V.D.P. was a guarantor on the LOC and it was collateralized by a deed of trust and an Assignment of Rents and Commercial Security Agreement. Approximately \$2,000,000 was outstanding on the LOC at December 31, 2018. During 2019, the LOC was fully paid off with the proceeds of a non cash donation from S.V.D.P. and subsequently closed.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(8) Designated Cash Funds and Statutory Reserves

S.V.D.P. maintains certain reserves as follows as of December 31:

	2020	2019
Reserve funds - 15th & Commercial	\$ 2,058,920	\$ 2,067,906
Replacement reserve - 16th and Market	838,184	765,226
Reserves under CalHFA loan - Village Place	431,615	364,690
Replacement reserve - Villa Harvey Mandel	126,849	346,433
Operating reserve - 16th and Market	268,178	268,097
Operating reserve - Boulevard Apartments	172,017	172,025
Tenants' security deposits - 16th and Market	101,639	93,941
Operating reserve of at least \$75,000 - Villa Harvey Mandel	76,774	76,671
Replacement reserve - Boulevard Apartments	43,234	37,506
Tenants' security deposits - Village Place	39,139	43,188
Tenants' security deposits - 15th & Commercial	51,824	50,515
Tenants' security deposits - Villa Harvey Mandel	36,226	37,090
Tenants' security deposits - Boulevard Apartments	19,730	15,734
Total designated cash and statutory reserves	\$ 4,264,329	\$ 4,339,022

(9) Charitable Remainder Trust

S.V.D.P. is the beneficiary under a charitable remainder trust. The charitable remainder trust is an arrangement whereby a donor contributes assets in exchange for distributions to a designated beneficiary over the remainder of the beneficiary's life. At the end of that time, the remaining assets will be given to S.V.D.P.

For the charitable remainder trust, the beneficial interest in the trust is recorded at the net present value of the amount estimated to be received in the future based on recent life expectancy tables and a discount rate of 7.25% at December 31, 2020. The value of the charitable remainder trust was approximately \$385,000 and \$376,000 at December 31, 2020 and 2019, respectively.

(10) Investments

The cost and fair value of investments as of December 31, 2020 are summarized as follows:

	Cost	Fair Value
Short-term:		
Mutual funds	\$ 3,126,071	\$ 3,482,935
Totals	\$ 3,126,071	\$ 3,482,935

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(10) Investments, Cont'd

The cost and fair value of investments as of December 31, 2019 are summarized as follows:

	Cost	Fair Value
Short-term:		
Cash and money market funds	\$ 85,119	\$ 85,119
Mutual funds	698,055	787,216
Totals	\$ 783,174	\$ 872,335

Fair values have been determined by reference to the most recent market quotations for the respective investments (see Note 14).

S.V.D.P. maintains certain investments in accordance with statutory requirements. These investments are reported as designated cash funds and statutory reserves on the consolidated statements of financial position (see Note 8).

(11) 401(k) Profit Sharing Plan

S.V.D.P. participates in a profit-sharing retirement plan that covers all eligible employees of S.V.D.P. and the Village. Each Organization makes matching contributions on a discretionary basis. There were no matching contributions made to the plan for the years ended December 31, 2020 and 2019.

(12) Nature and Amount of Net Assets with Donor Restrictions

S.V.D.P.'s net assets with donor restrictions are comprised of the following:

	2020	2019
Restricted for purpose:		
Capital projects	\$ 3,055,000	\$ 9,605,570
St. Vincent de Paul Village, Inc.	146,007	146,007
Restricted for use in future periods:		
Charitable remainder trust	385,429	375,703
Totals	\$ 3,586,436	\$ 10,127,280

**S.V.D.P. Management, Inc. and
Consolidated Entities**

Notes to Financial Statements

(13) Noncontrolling Limited Partners' Interests in Real Estate Limited Partnerships

	Village Place Apartments, L.P.	Villa Harvey Mandel, L.P.	16th and Market, L.P.	Benson Place, L.P.	14 th & Commercial CIC, L.P.	14 th & Commercial CIC-VHHP, L.P.	Total limited partners' Interest in limited partnerships
Balance, December 31, 2018	\$ 59	\$ -	\$ 4,642,373	\$ -	\$ -	\$ -	\$ 4,642,432
Income distributions	-	-	-	1,852,386	7,048,916	1,857,899	10,759,201
Equity of limited partners in operating results of limited partnerships	11	-	(1,728,116)	-	-	-	(1,728,105)
Balance, December 31, 2019	\$ 70	\$ -	\$ 2,914,257	\$ 1,852,386	\$ 7,048,916	\$ 1,857,899	\$ 13,673,528
Equity of limited partners in operating results of limited partnerships	17	-	(1,586,444)	(537,785)	-	-	(2,124,212)
Balance, December 31, 2020	\$ 87	\$ -	\$ 1,327,813	\$ 1,314,601	\$ 7,048,916	\$ 1,857,899	\$ 11,549,316

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(14) Fair Value Measurement

In accordance with authoritative guidance, S.V.D.P. uses fair value accounting methods to value its financial assets and liabilities. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, the fair value authoritative guidance establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, S.V.D.P. utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

The following table summarizes the valuation of S.V.D.P.'s financial instruments in accordance with authoritative guidance at December 31, 2020:

	Level 1	Level 2	Level 3	Total
Equity securities –				
Mutual funds	\$ 3,482,935	\$ -	\$ -	\$ 3,482,935
Charitable remainder trust	-	-	385,429	385,429
Total assets measured at fair value	\$ 3,482,935	\$ -	\$ 385,429	\$ 3,868,364
Interest rate swap liability	\$ -	\$ -	\$ (1,558,703)	\$ (1,558,703)

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(14) Fair Value Measurement, Cont'd

The following table summarizes the valuation of S.V.D.P.'s financial instruments in accordance with authoritative guidance at December 31, 2019:

	Level 1	Level 2	Level 3	Total
Equity securities –				
Mutual funds	\$ 787,216	\$ -	\$ -	\$ 787,216
Charitable remainder trust	-	-	375,703	375,703
Total assets measured at fair value	<u>\$ 787,216</u>	<u>\$ -</u>	<u>\$ 375,703</u>	<u>\$ 1,162,919</u>
Interest rate swap liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,296,543)</u>	<u>\$ (1,296,543)</u>

The following table summarizes S.V.D.P.'s fair value measurements using significant Level 3 inputs, and changes therein, for the years ended December 31, 2020 and 2019:

	Charitable Remainder Trust	Interest Rate Swap Liability
Balance at December 31, 2018	\$ 327,522	\$ (1,005,758)
Gain on mark-to-market of interest rate swap	-	(290,785)
Change in valuation	48,181	-
Balance at December 31, 2019	<u>375,703</u>	<u>(1,296,543)</u>
Loss on mark-to-market of interest rate swap	-	(262,160)
Change in valuation	9,726	-
Balance at December 31, 2020	<u>\$ 385,429</u>	<u>\$ (1,558,703)</u>

Investments in equity securities are valued using market prices in active markets and are designated as Level 1 instruments. Level 1 instrument valuations are obtained from real time quotes for transactions in active exchange markets involving identical assets.

The charitable remainder trust is an asset that will be received upon the death of the donor. While the trust itself is composed of Level 1 and Level 2 assets, the value of those assets is adjusted by using actuarial tables to estimate the remaining life of the donor and an appropriate interest rate is used to calculate the net present value of the trust.

The fair value of the interest rate swap is based on the present value of estimated monthly net future cash flows resulting from the swap agreement. Cash outflows per this valuation are based on the contractual fixed interest rate required to be paid by 16th and Market on the notional balances over the swap term. Estimated cash inflows are based on projected future one-month Libor rates plus a spread, as defined in the swap agreement, as definitive futures rates are not available upon which such cash inflows are based.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(14) Fair Value Measurement, Cont'd

Management has determined that the carrying values of cash, receivables, restricted funds, accounts payable and accrued expenses approximate fair value given the short-term nature of these instruments. Management has no practical or cost effective way of assessing fair value for the developer fee payable and notes payable.

(15) Commitments and Contingencies

Grant agreements

S.V.D.P. has grant agreements and certain other grant support that are subject to review by the grantor agencies, which could lead to requests for reimbursements by the grantor agencies for expenditures disallowed under the terms of the grants. Management believes that such disallowances, if any, will not be significant.

Litigation

In the normal course of business, S.V.D.P. is occasionally named as a defendant in various claims. It is the opinion of management that the outcome of any claims would not materially affect S.V.D.P.'s operations or financial position.

Reserves

The limited partnerships are required by contractual agreements to maintain and annually fund reserves for various terms through the termination of the partnerships. The required funding for 2020 includes annual payments ranging from approximately \$12,000 to \$111,000. The aggregate amount of funding required for 2020 was approximately \$220,000.

Operating lease expense

S.V.D.P. leases copiers under a non-cancelable operating lease that are utilized by S.V.D.P. and the Village, which expires in 2024. Lease expense for copiers utilized by the Village is passed through to the Village. Lease expense attributable to S.V.D.P., net of expenses passed through to other organizations under this lease was approximately \$82,000 and \$80,000 for 2020 and 2019, respectively.

In 2017, S.V.D.P. entered into non-cancelable operating leases for washing machines which expire in 2021. Lease expense under these leases was approximately \$23,000 and \$22,000 for 2020 and 2019, respectively.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

Operating lease expense, cont'd

Effective January 1, 2019, St. Vincent de Paul Village, Inc.'s thrift store leases were transferred to S.V.D.P. as a result of the transfer of the retail and fundraising divisions. These non-cancelable operating leases expire at various dates through 2029.

Future minimum lease payments due under these leases are as follows:

<i>Year Ending December 31,</i>	Equipment	Property	Vehicles	Total
2021	\$ 137,688	\$ 729,315	\$ 174,339	\$ 1,041,342
2022	124,135	700,369	63,665	888,169
2023	121,536	472,626	-	594,162
2024	30,384	368,909	-	399,293
Thereafter	-	1,550,981	-	1,550,981
	\$ 413,743	\$ 3,822,200	\$ 282,795	\$ 4,473,947

Sub-lease income

S.V.D.P. sub-leases property space to various non-related parties under non-cancelable sub-leases that expire at various dates through 2022. Sub-lease income from these leases was approximately \$259,000 for both 2020 and 2019.

Future minimum sub-lease income under these leases is as follows:

<i>Year Ending December 31,</i>	Total
2021	\$ 39,600
2022	31,500
	\$ 71,100

(16) PPP Loan Forgiveness

S.V.D.P. applied for and received a forgivable Paycheck Protection Loan of approximately \$1,485,000 as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and the loan was funded on April 16, 2020. Under the terms of the loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs and that certain employment levels are maintained.

Throughout 2020, S.V.D.P. has used all proceeds on qualified costs and such amount has been reported as grant revenue. A formal request for forgiveness was submitted, and the loan was forgiven in full in April 2021.

S.V.D.P. Management, Inc. and Consolidated Entities

Notes to Financial Statements

(17) Subsequent Events

S.V.D.P. has evaluated subsequent events through April 15, 2022, which is the date the consolidated financial statements were available to be issued.

In February 2021, S.V.D.P. was awarded a second PPP loan of approximately \$1,483,000 bearing interest at a rate of 1% per annum. Under the terms of the PPP, subject to specified limitations, the loan principal and accrued interest may be forgiven if the proceeds are used in accordance with the CARES Act. S.V.D.P. intends to apply for forgiveness of the entire loan. However, there can be no assurance that the S.V.D.P. will obtain forgiveness of the loan in whole or in part.

In March 2021, Benson Place LP entered into a new loan with the California Housing Finance Agency for \$3,775,000 bearing an interest rate of 3% and a maturity date of March 1, 2076. Benson Place also received an additional investment of \$10,002,883 from its Investment Partner USA Institutional Tax Credit Fund CXXI LP. The funds received were used to pay off the construction Loan with Pacific Western Bank that had a balance at that time of \$11,233,472.

S.V.D.P. Management, Inc.



Supplemental Schedules

S.V.D.P. Management, Inc.

Statements of Financial Position

<i>As of December 31,</i>	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,185,940	\$ 3,677,677
Investments	3,482,935	872,335
Contributions receivable	3,999,565	2,000,000
Inventory - automobiles	95,521	110,113
Prepaid expenses and other receivables	459,357	2,343,286
Total current assets	12,223,318	9,003,411
Property and equipment:		
Land	3,914,554	3,914,554
Buildings and improvements	30,961,988	30,225,448
Furniture and equipment	1,905,765	3,880,189
	36,782,307	38,020,191
Less accumulated depreciation and amortization	(24,396,192)	(24,694,874)
Construction in progress	-	75,053
Net property and equipment	12,386,115	13,400,370
Contributions receivable, net	3,693,094	5,509,975
Note and accrued interest receivable	4,816,913	4,885,877
Due from St. Vincent De Paul Village, Inc.	6,098,765	5,645,910
Charitable remainder trust	385,429	375,703
Investment in limited partnerships - intercompany	39,128,242	40,511,044
Intercompany receivable	35,189,091	32,037,514
Total assets	\$ 113,920,967	\$ 111,369,804
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 1,151,668	\$ 2,621,588
Accrued liabilities	728,153	638,398
Current portion of long-term debt	48,977	46,707
Total current liabilities	1,928,798	3,306,693
Intercompany deferred gain	17,354,943	17,354,943
Accrued interest, net of current portion	320,856	304,425
Long-term debt, net of current portion	2,406,256	2,794,872
Forgivable debt	5,285,543	3,285,543
Total liabilities	27,296,396	27,046,476
Net assets:		
Without donor restrictions	83,038,135	74,196,048
With donor restrictions	3,586,436	10,127,280
Total net assets	86,624,571	84,323,328
Total liabilities and net assets	\$ 113,920,967	\$ 111,369,804

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

S.V.D.P. Management, Inc.

Statements of Activities

<i>Years Ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2020	2019
Contributions from organizations, foundations and individuals	\$ 42,344	\$ 187,524	\$ 229,868	\$ 9,732,553
Sales of donated goods and automobiles	4,772,426	-	4,772,426	5,811,788
Contract charges for services to St. Vincent de Paul Village, Inc.	68,306	-	68,306	1,130,993
Contract income from limited partnerships	4,022,456	-	4,022,456	3,415,199
Rental income	3,401,243	-	3,401,243	3,282,017
Grant income	1,517,823	2,955,000	4,472,823	578,517
Interest income	584,004	-	584,004	331,342
Miscellaneous	1,214,305	-	1,214,305	490,632
Change in value of charitable remainder trust	-	9,726	9,726	48,181
Gain on sale of fixed assets	-	-	-	331,094
Net assets released from donor restrictions	9,693,094	(9,693,094)	-	-
Total revenue, contributions and other	25,316,001	(6,540,844)	18,775,157	25,152,316
Expenses and donations:				
Program expenses	7,778,477	-	7,778,477	9,808,785
Administration	5,464,061	-	5,464,061	4,127,048
Fundraising	3,231,376	-	3,231,376	3,508,074
Donation to St. Vincent de Paul Village, Inc.	-	-	-	12,111,460
Total expenses and donations	16,473,914	-	16,473,914	29,555,367
Change in net assets	8,842,087	(6,540,844)	2,301,243	(4,403,051)
Net assets at beginning of year	74,196,048	10,127,280	84,323,328	88,726,379
Net assets at end of year	\$ 83,038,135	\$ 3,586,436	\$ 86,624,571	\$ 84,323,328

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

S.V.D.P. Management, Inc.

Statement of Activities

<i>Year Ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2019
Contributions from organizations, foundations and individuals	\$ 126,983	\$ 9,605,570	\$ 9,732,553
Sales of donated automobiles	5,811,788	-	5,811,788
Contract charges for services to St. Vincent de Paul Village, Inc.	1,130,993	-	1,130,993
Contract income from limited partnerships	3,415,199	-	3,415,199
Rental income	3,282,017	-	3,282,017
Grant income	578,517	-	578,517
Interest income	331,342	-	331,342
Miscellaneous	490,632	-	490,632
Change in value of charitable remainder trust	-	48,181	48,181
Gain on sale of fixed assets	331,094	-	331,094
Net assets released from donor restrictions	2,860,231	(2,860,231)	-
Total revenue, contributions and other	18,358,796	6,793,520	25,152,316
Expenses and donations:			
Program expenses	9,808,785	-	9,808,785
Administration	4,127,048	-	4,127,048
Fundraising	3,508,074	-	3,508,074
Donation to St. Vincent de Paul Village, Inc.	12,111,460	-	12,111,460
Total expenses and donations	29,555,367	-	29,555,367
Change in net assets	(11,196,571)	6,793,520	(4,403,051)
Net assets at beginning of year	85,392,619	3,333,760	88,726,379
Net assets at end of year	\$ 74,196,048	\$ 10,127,280	\$ 84,323,328

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