

# **St. Vincent de Paul Village, Inc. dba Father Joe's Villages**

**Financial Statements**  
Years Ended December 31, 2024 and 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



**St. Vincent de Paul Village, Inc.**  
**dba Father Joe's Villages**

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Financial Statements  
Years Ended December 31, 2024 and 2023

**St. Vincent de Paul Village, Inc.  
dba Father Joe's Villages**

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## **Independent Auditor's Report**

The Audit Committee  
St. Vincent de Paul Village, Inc.  
dba Father Joe's Villages  
San Diego, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of St. Vincent de Paul Village, Inc. dba Father Joe's Villages (the Village), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*BDO USA, P.C.*

September 23, 2025

## Financial Statements

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**St. Vincent de Paul Village, Inc.  
dba Father Joe's Villages**

**Statements of Financial Position**

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 9,353,110	\$ 24,058,103
Investments	23,258,586	17,490,765
Grants receivable, net	3,619,672	4,461,376
Contributions and bequests receivable, current portion	3,507,588	5,735,746
Patient receivables, net	959,420	522,285
Insurance receivable	785,192	1,360,265
Prepaid expenses and other assets	329,551	474,603
Due from related parties	7,669,558	3,992,326
<b>Total Current Assets</b>	<b>49,482,677</b>	<b>58,095,469</b>
<b>Non-Current Assets</b>		
Contributions and bequests receivable, net	567,632	918,055
Split-interest agreements	3,660,335	3,564,968
Endowment investments	5,173,142	4,711,743
Operating lease right-of-use assets	8,830,801	6,386,887
Property and equipment, net	4,354,964	4,129,823
<b>Total Assets</b>	<b>\$ 72,069,551</b>	<b>\$ 77,806,945</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 2,961,853	\$ 1,883,442
Accrued payroll related liabilities	2,055,328	1,793,786
Medical self-insurance reserve	1,297,196	1,841,438
Operating lease liabilities, current portion	1,326,253	588,701
Due to related parties	1,538,500	8,858,218
Refundable advances	343,980	803,726
Accrued interest	-	118,251
Debt	-	426,890
Contingency reserve	-	2,777,523
<b>Total Current Liabilities</b>	<b>9,523,110</b>	<b>19,091,975</b>
<b>Non-Current Liabilities</b>		
Operating lease liabilities, net of current portion	7,504,548	5,798,186
<b>Total Liabilities</b>	<b>17,027,658</b>	<b>24,890,161</b>
<b>Net Assets</b>		
Without donor restrictions	41,074,165	37,763,111
With donor restrictions	13,967,728	15,153,673
<b>Total Net Assets</b>	<b>55,041,893</b>	<b>52,916,784</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 72,069,551</b>	<b>\$ 77,806,945</b>

*See accompanying notes to financial statements.*

**St. Vincent de Paul Village, Inc.  
dba Father Joe's Villages**

**Statement of Activities**

*Year ended December 31, 2024*

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue</b>			
Contributions and bequests	\$ 30,170,849	\$ 1,216,873	\$ 31,387,722
Grants	20,767,705	220,976	20,988,681
Contract income	4,475,265	-	4,475,265
Patient service revenue, net	4,427,455	-	4,427,455
In-kind contributions	1,703,693	-	1,703,693
Special events	1,788,746	-	1,788,746
Investment return	2,093,898	306,129	2,400,027
Other income	294,595	-	294,595
Change in value of split-interest agreements	(71,798)	159,288	87,490
Net assets released from restrictions	3,089,211	(3,089,211)	-
<b>Total Support and Revenue</b>	<b>68,739,619</b>	<b>(1,185,945)</b>	<b>67,553,674</b>
<b>Expenses</b>			
Program expenses	60,322,780	-	60,322,780
Management and general	1,539,290	-	1,539,290
Fundraising	4,117,375	-	4,117,375
<b>Total Expenses</b>	<b>65,979,445</b>	<b>-</b>	<b>65,979,445</b>
<b>Change in Net Assets, before non-operating activities</b>	<b>2,760,174</b>	<b>(1,185,945)</b>	<b>1,574,229</b>
<b>Forgiveness of Debt</b>	<b>550,880</b>	<b>-</b>	<b>550,880</b>
<b>Change in Net Assets</b>	<b>3,311,054</b>	<b>(1,185,945)</b>	<b>2,125,109</b>
<b>Net Assets, beginning of year</b>	<b>37,763,111</b>	<b>15,153,673</b>	<b>52,916,784</b>
<b>Net Assets, end of year</b>	<b>\$ 41,074,165</b>	<b>\$ 13,967,728</b>	<b>\$ 55,041,893</b>

*See accompanying notes to financial statements.*



**St. Vincent de Paul Village, Inc.  
dba Father Joe's Villages**

**Statement of Activities**

*Year ended December 31, 2023*

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue</b>			
Contributions and bequests	\$ 32,856,581	\$ 5,785,422	\$ 38,642,003
Grants	23,245,979	-	23,245,979
Contract income	3,296,806	-	3,296,806
Patient service revenue, net	3,652,625	-	3,652,625
In-kind contributions	1,625,916	-	1,625,916
Special events	1,582,826	-	1,582,826
Investment return	2,176,970	442,251	2,619,221
Other income	321,693	-	321,693
Change in value of split-interest agreements	(52,264)	346,567	294,303
Net assets released from restrictions	4,726,997	(4,726,997)	-
<b>Total Support and Revenue</b>	<b>73,434,129</b>	<b>1,847,243</b>	<b>75,281,372</b>
<b>Expenses</b>			
Program expenses	55,350,157	-	55,350,157
Management and general	1,975,182	-	1,975,182
Fundraising	3,878,055	-	3,878,055
<b>Total Expenses</b>	<b>61,203,394</b>	<b>-</b>	<b>61,203,394</b>
<b>Change in Net Assets, before non-operating activities</b>	<b>12,230,735</b>	<b>1,847,243</b>	<b>14,077,978</b>
<b>Insurance Proceeds</b>	<b>843,021</b>	<b>-</b>	<b>843,021</b>
<b>Change in Net Assets</b>	<b>13,073,756</b>	<b>1,847,243</b>	<b>14,920,999</b>
<b>Net Assets, beginning of year</b>	<b>24,689,355</b>	<b>13,306,430</b>	<b>37,995,785</b>
<b>Net Assets, end of year</b>	<b>\$ 37,763,111</b>	<b>\$ 15,153,673</b>	<b>\$ 52,916,784</b>

*See accompanying notes to financial statements.*

**St. Vincent de Paul Village, Inc.  
dba Father Joe's Villages**

**Statement of Functional Expenses**

*Year ended December 31, 2024*

	Program Expenses					
	Housing and Supportive Services	Medical Clinic	Total Program Expenses	Management and General	Fundraising	Total Expenses
Salaries and employee-related expenses	\$ 16,526,524	\$ 5,385,016	\$ 21,911,540	\$ 840,650	\$ -	\$ 22,752,190
Contract services	10,526,018	1,551,343	12,077,361	547,412	3,957,332	16,582,105
Direct client expenses	4,540,454	23,641	4,564,095	6,500	16,558	4,587,153
Employee benefits	3,702,208	615,853	4,318,061	127,572	-	4,445,633
Rent	3,281,843	195,922	3,477,765	-	-	3,477,765
Food	2,452,579	6,117	2,458,696	78	-	2,458,774
Repair and maintenance	3,361,119	630,728	3,991,847	-	-	3,991,847
Utilities	1,564,266	35,373	1,599,639	-	-	1,599,639
Supplies	1,054,239	250,674	1,304,913	17,057	-	1,321,970
Insurance	1,062,440	152,912	1,215,352	-	-	1,215,352
Licenses and fees	405,265	504,185	909,450	-	-	909,450
Professional fees	592,677	33,314	625,991	-	139,217	765,208
Depreciation and amortization	480,126	89,476	569,602	-	-	569,602
Miscellaneous	346,563	38,190	384,753	21	4,162	388,936
Medical and dental	-	381,511	381,511	-	-	381,511
Bad debt expense	6,502	135,560	142,062	-	-	142,062
Occupancy expense	112,394	4,571	116,965	-	-	116,965
Telephone	81,836	18,683	100,519	-	-	100,519
Vehicle	77,618	16,144	93,762	-	-	93,762
Special events	53,970	-	53,970	-	106	54,076
Printing and postage	15,348	3,839	19,187	-	-	19,187
Interest	5,739	-	5,739	-	-	5,739
<b>Total Expenses</b>	<b>\$ 50,249,728</b>	<b>\$ 10,073,052</b>	<b>\$ 60,322,780</b>	<b>\$ 1,539,290</b>	<b>\$ 4,117,375</b>	<b>\$ 65,979,445</b>

*See accompanying notes to financial statements.*

**St. Vincent de Paul Village, Inc.  
dba Father Joe's Villages**

**Statement of Functional Expenses**

*Year ended December 31, 2023*

	Program Expenses			Management and General	Fundraising	Total Expenses
	Housing and Supportive Services	Medical Clinic	Total Program Expenses			
Salaries and employee-related expenses	\$ 16,507,760	\$ 4,170,888	\$ 20,678,648	\$ 844,266	\$ -	\$ 21,522,914
Contract services	10,833,989	1,032,734	11,866,723	679,517	3,740,788	16,287,028
Direct client expenses	4,267,834	8,350	4,276,184	-	273	4,276,457
Employee benefits	3,131,445	485,618	3,617,063	110,465	-	3,727,528
Rent	2,856,774	204,768	3,061,542	-	-	3,061,542
Food	2,496,081	3,996	2,500,077	2,748	30	2,502,855
Repair and maintenance	1,518,257	843,115	2,361,372	-	-	2,361,372
Utilities	1,271,287	77,478	1,348,765	29,780	-	1,378,545
Supplies	1,232,575	215,972	1,448,547	31,534	24	1,480,105
Insurance	869,262	95,943	965,205	-	-	965,205
Licenses and fees	268,636	428,542	697,178	1,389	8,745	707,312
Professional fees	466,933	86,820	553,753	5,000	110,440	669,193
Depreciation and amortization	576,077	32,943	609,020	-	-	609,020
Miscellaneous	184,652	42,853	227,505	2,082	-	229,587
Medical and dental	652	262,929	263,581	500	-	264,081
Bad debt expense	159,186	204,869	364,055	-	-	364,055
Occupancy expense	75,634	4,606	80,240	36	-	80,276
Telephone	96,543	16,657	113,200	4,826	-	118,026
Vehicle	72,876	2,380	75,256	-	-	75,256
Special events	51,422	-	51,422	300	17,755	69,477
Printing and postage	2,441	3,244	5,685	-	-	5,685
Interest	185,136	-	185,136	-	-	185,136
Contingency reserve	-	-	-	262,739	-	262,739
<b>Total Expenses</b>	<b>\$ 47,125,452</b>	<b>\$ 8,224,705</b>	<b>\$ 55,350,157</b>	<b>\$ 1,975,182</b>	<b>\$ 3,878,055</b>	<b>\$ 61,203,394</b>

*See accompanying notes to financial statements.*

**St. Vincent de Paul Village, Inc.  
dba Father Joe's Villages**

**Statements of Cash Flows**

<i>Year ended December 31,</i>	<b>2024</b>	<b>2023</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 2,125,109	\$ 14,920,999
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	569,602	609,020
Change in value of split-interest agreements	(159,288)	(346,567)
Realized and unrealized gains on investments	(977,188)	(1,610,786)
Bad debt expense	142,062	364,055
Noncash operating lease expense	1,269,387	630,930
Loss on disposal of property and equipment	15,522	35,400
Loss on write-off of leasehold improvements	674,076	-
Insurance proceeds	-	(843,021)
Forgiveness of debt	(550,880)	-
Changes in operating assets and liabilities:		
Grants receivable	835,202	791,446
Contributions and bequests receivable	2,578,581	(599,239)
Patient receivables, net	(572,695)	(308,155)
Insurance receivable	575,073	(1,360,265)
Prepaid expenses and other assets	145,052	245,527
Accounts payable and accrued liabilities	870,258	(1,892,998)
Accrued payroll related liabilities	261,542	(27,137)
Medical self-insurance reserve	(544,242)	1,525,701
Operating lease liabilities	(1,269,387)	(630,930)
Accrued interest	5,739	(669,193)
Refundable advances	(459,746)	(149,266)
Due to (from) related parties	(10,996,950)	1,948,910
Contingency reserve	(2,777,523)	262,738
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(8,240,694)</b>	<b>12,897,169</b>
<b>Cash Flows from Investing Activities</b>		
Distributions from split-interest agreements	63,921	63,826
Purchases of property and equipment	(1,276,188)	(1,732,379)
Insurance proceeds	-	843,021
Purchases of investments	(60,467,417)	(9,212,835)
Sales of investments	55,215,385	7,447,466
<b>Net Cash Used in Investing Activities</b>	<b>(6,464,299)</b>	<b>(2,590,901)</b>
<b>Cash Flows from Financing Activity</b>		
Payments of note payable to S.V.D.P. Management, Inc.	-	(3,461,000)
<b>Net Change in Cash and Cash Equivalents</b>	<b>(14,704,993)</b>	<b>6,845,268</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>24,058,103</b>	<b>17,212,835</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 9,353,110</b>	<b>\$ 24,058,103</b>
<b>Supplemental Cash Flow Information</b>		
Interest paid	\$ -	\$ 682,020
<b>Noncash Investing and Financing Activities</b>		
Operating right-of-use assets in exchange for lease obligations	\$ 3,713,301	\$ 3,141,572
Purchases of property and equipment through accounts payable	305,352	97,199

*See accompanying notes to financial statements.*

# **St. Vincent de Paul Village, Inc. dba Father Joe's Villages**

## **Notes to Financial Statements**

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### **1. Description of the Organization**

#### ***Organization***

The accompanying financial statements present the operations of St. Vincent de Paul Village, Inc. dba Father Joe's Villages (the Village). The Village is comprised of the following operating activities in San Diego, California:

*Programs and Services for the Homeless and Those At-Risk for Homelessness at the Joan Kroc Center, Bishop Maher Center, and Paul Mirabile Center (the Centers)* - The Centers provide comprehensive services for single adults and families with children. The services include shelter, meals, health (medical and dental care) and wellness programs, chaplaincy support, case management, job skills training, and therapeutic childcare. The Centers receive support through state and federal grants, foundations, and contributions from fundraising and retail activities.

*Village's Health Center* - The Village's campus is also home to the Village Health Center (VHC), which is a Federally Qualified Health Center (FQHC). The VHC provides medical, dental, and behavioral health services to individuals experiencing homelessness or who are at risk for experiencing homelessness. The services provided are primarily sourced by part-time and full-time employees, independent contractors, volunteers, and interns. Under FQHC guidelines, payment for services provided to Medicare and Medi-Cal patients is reimbursed at an all-inclusive rate per visit.

### **2. Summary of Significant Accounting Policies**

#### ***Basis of Accounting***

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. Accordingly, the Village 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. Contributions are received and recorded in one of these two categories depending on the existence and/or nature of any donor restrictions.

*Net Assets Without Donor Restrictions* - Net assets that are not subject to donor-imposed restrictions.

*Net Assets with Donor Restrictions* - Net assets with donor restrictions are limited as to use by donor-imposed restrictions that may expire with the passage of time or that may be satisfied by action of the Village. Net assets with donor restrictions are designated by donors for specific purposes or periods. 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. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Other net assets have perpetual donor restrictions, where the principal of the contributions is restricted in perpetuity and the income from which is utilized for the purposes specified by the donors.

# **St. Vincent de Paul Village, Inc. dba Father Joe's Villages**

## **Notes to Financial Statements**

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### ***Reclassifications***

Certain items from the prior-year financial statements have been reclassified to conform to the current-year presentation. These reclassifications had no impact on net assets or changes to net assets previously reported.

### ***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.

### ***Performance Indicator***

The Village's statements of activities distinguish between operating and non-operating revenues and expenses and other changes in net assets. Operating revenues result primarily from exchange transactions associated with the provision of health care services, grants and contributions from various state, local, and private organizations, and investment returns to support the overall mission of the Village. Non-operating activities include insurance proceeds that are not in the ordinary course of business and forgiveness of debt. Operating expenses are all expenses incurred to provide health care services and support the mission of the Village.

### ***Cash and Cash Equivalents***

The Village's cash consists of cash on deposit with banks. Cash equivalents represent 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 endowment fund, which are invested in perpetuity. During the years ended December 31, 2024 and 2023, the Village held cash balances in excess of federally insured limits.

### ***Investments***

The Village carries investments in equity securities and mutual funds and reports them at fair 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. These investments are reported at fair value using Level 1 inputs, such as quoted prices on national exchanges. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Gains and losses on sales of investments are determined using the specific identification method.

Donated investments are initially recorded at fair value on, or near, the date of the gift. It is the Village's policy to sell donated investments as soon as it is practical.

The Village has a 0.01% investment in Village Place Apartments, L.P., a limited partnership. The investment is stated at fair value with a value of \$90 and \$93 at December 31, 2024 and 2023, respectively, and is included in investments on the statements of financial position.

The Village has a 0.01% investment in Villa Harvey Mandel, L.P., a limited partnership. The investment is stated at fair value with a value of \$0 at both December 31, 2024 and 2023.

**St. Vincent de Paul Village, Inc.  
dba Father Joe's Villages**

**Notes to Financial Statements**

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***Split-Interest Agreements***

The Village receives contributions in the form of charitable remainder trusts, beneficial interests in gift annuities or perpetual trusts, and gifts that are pooled and invested, with income being distributed to the donor (pooled income).

The pooled income fund consists of contributions from many donors that are pooled and invested as a group. Donors receive allocations of the income generated from these investments, in accordance with the terms of the respective agreements, until their death. Upon their death, the remaining undistributed assets become the property of the Village.

The Village maintains multiple charitable remainder trusts, which provides for the transfer of assets from donors to a trust, with income beneficiaries receiving income distributions for a specified period or for their lifetime, after which the remaining assets are transferred to the Village. Distributions, if any, are made in accordance with the terms of the respective agreements.

Beneficial interests in gift annuities represent agreements in which the Village acts as trustee and holds the contributed assets. The Village recognizes the assets (annuity policies) at fair value. The agreements with the donors stipulate that the Village will make fixed annuity payments to the designated beneficiaries for their lifetimes. Upon the death of the beneficiaries, the remaining assets are retained by the Village.

Beneficial interests in perpetual trusts represent the Village's irrevocable right to receive the income earned on the assets held in perpetual trusts administered by a third party. The assets are held in perpetuity and the corpus will never be distributed to the Village. The fair value of the beneficial interest in perpetual trusts approximates the expected future cash receipts from the trusts' assets.

All of the assets held under the aforementioned split-interest agreements are measured at fair value, using Level 3 inputs, and are subject to fluctuation in market value.

***Grants Receivable and Revenue***

The Village is awarded grants from federal, state, county, and city agencies. Grants are typically awarded for a multi-year period, with the amount awarded negotiated in advance. Grant revenue is most appropriately classified as conditional contributions, and therefore, revenue is recognized as conditions are met, which is typically as allowable costs are incurred.

The Village provides for losses on grants, contributions, pledges, and bequests receivable using the allowance method. The allowance is based on experience and other circumstances which may affect the ability of the donors to meet their obligations. Receivables are written-off when deemed uncollectible. Management determined that no allowance was considered necessary at December 31, 2024 and 2023.

The Village has \$9,290,617 in conditional grants outstanding as of December 31, 2024 that will be recognized when the service is provided, or a related qualified expenditure is incurred.

**St. Vincent de Paul Village, Inc.**  
**dba Father Joe's Villages**

**Notes to Financial Statements**

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***Refundable Advances***

From time to time, the Village will receive funding prior to the conditions stipulated by the grantors being met. The Village records these as refundable advances and recognizes the funds as grant revenues once the conditions have been met.

***Contributions and Bequests Receivable***

The Village 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. Contributions receivable consist of unconditional promises to give. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions. The discount rates used ranged from 1.60% to 5.4% at December 31, 2024 and 2023.

Bequests receivable consist of amounts from wills or trusts in which the donor has passed, and the Village is named as a beneficiary, and the amount to be received is known or reasonably estimable.

Management determined that no allowance was considered necessary at December 31, 2024 and 2023.

***Patient Receivables***

Patient receivables include charges for amounts due from all patients or third-party payors less estimated contractual adjustments, discounts, and implicit price concessions. The Village determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Village determines its estimate of implicit price concessions based on its historical collection experience with this class of patients, typically uninsured or underinsured. The allowance for estimated credit losses is based on historical losses, management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant. Accounts deemed uncollectible are written-off in the period deemed uncollectible. The following table represents information for the allowance for credit losses that relates to patient receivables:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 341,335	\$ 220,000
Provisions for the year	135,130	196,984
Write-offs during the period, net of recoveries	-	(75,649)
<b>Ending Balance</b>	<b>\$ 476,465</b>	<b>\$ 341,335</b>

Two of the Village's primary payors are Medicare and Medi-Cal. In the case of Medicare, reasonable estimates are made and reported in the period services are rendered, and differences between the estimates and actual receipts are included in the statements of activities in the period in which they are determined. In the case of Medi-Cal, payments under the payment system are final, unless the number of reimbursable visits is changed as a result of an audit by the State of California Department of Health and Human Services.



**St. Vincent de Paul Village, Inc.  
dba Father Joe's Villages**

**Notes to Financial Statements**

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***Leases***

The Village determines if an arrangement is a lease at inception and then assesses for classification as either an operating or finance lease. Assets and obligations related to operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the statements of financial position.

ROU assets represent the Village's right to use an underlying asset for the lease term and lease liabilities represent the Village's obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. For the Village's leases that do not contain an implicit rate, the Village utilizes a risk-free rate to determine the present value of lease payments based on information available at commencement of the lease, based on current United States (U.S.) Treasury rates. Certain lease terms may include options to extend or terminate the lease, and these are included in the determination of the operating lease ROU asset and lease liability when it is reasonably certain that the Village will exercise those options. Lease expense for operating leases is recognized in an amount equal to the lease payments over the lease term.

The Village's agreements with lease and non-lease components are all accounted for as a single lease component. For leases with an initial term of 12 months or less, the Village elected the exemption from recording ROU assets and lease liabilities for all leases that qualify.

For leases that include variable payments, which may vary based upon changes in facts or circumstances after the start of the lease, the Village has made an accounting policy election to exclude variable payments from lease ROU assets and lease liabilities to the extent not considered fixed, and instead expenses as incurred.

***Property and Equipment***

Property and equipment are stated at cost. The Village capitalizes all costs for fixed assets in excess of \$5,000. Expenditures for repairs and maintenance that do not improve or extend the life of the asset are expensed as incurred. Depreciation and amortization are provided for using the straight-line method over the estimated useful lives of the assets as follows:

Asset Category	Years
Building and improvements	40
Furniture and equipment	5
Leasehold improvements	Shorter of the lease term or life of the asset

Depreciation and amortization expense was \$569,602 and \$609,020 for the years ended December 31, 2024 and 2023, respectively.

The Village records impairment losses on property and equipment 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. At December 31, 2024 and 2023, the Village has not identified any indicators of impairment or recorded any impairment of property and equipment.

**St. Vincent de Paul Village, Inc.  
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**Notes to Financial Statements**

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***Due from/to Related Parties***

Amounts reported as due to related parties, included in the accompanying statements of financial position, arise typically from the collaborative activities between the Village, S.V.D.P. Management, Inc. (S.V.D.P.), and various limited partnerships, documented in Note 12, to further the mission of the organizations.

***Contributions***

Contributions received are recorded when an unconditional promise to give is made and 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.

Throughout the year, the Village hosts many fundraising events. Funds collected in advance of events taking place are deferred until the event occurs.

***Contributed Food and Services***

The Village receives significant in-kind contributed food and services from a variety of agencies and community partners. These amounts are included in in-kind donations and related expenses and are included in their natural expense account classifications. All contributed food and services are directly or indirectly are to support the Village's programs and services. The Village does not monetize any contributed food and services.

Contributed food and supplies are valued at the wholesale prices that would be paid for similar products at the time of receipt. Donated services provided by volunteers in the medical and dental clinics are measured by the fair value of the service received, based on amounts paid for comparable services and information provided by the donor.

The Village receives a significant amount of volunteer services from individuals and businesses that do not meet the criteria for recognition and are not reflected in the accompanying financial statements.

***Contract Income***

The Village provides supportive services to various low-income housing properties and performs other services under contracts. Revenue under these contracts is recognized as performance obligations are satisfied, typically, monthly as services are available or performed. There are no contract assets or liabilities. See Note 12 for additional details regarding certain contract charges.

***Other Income***

The Village's other income includes sub-lease rental income as described in Note 12 and gains or losses on disposals of property and equipment.

***Patient Service Revenue***

As a FQHC, the Village provides services to all persons regardless of their ability to pay, using a sliding-fee scale based on patient family size and income. The majority of patients are covered by Medicare, Medi-Cal, and other insurance payors. These payors limit payment for services based upon

# St. Vincent de Paul Village, Inc. dba Father Joe's Villages

## Notes to Financial Statements

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their respective schedules of usual, customary, and reasonable fees. Being a FQHC allows the Village to obtain additional reimbursement for the services provided.

As part of the Village's mission to serve the community, the Village provides care to patients even though they may lack adequate insurance or may participate in programs that do not pay established rates. Uncompensated care is defined as a write-off on patient accounts without insurance payment. Charity care is a subset of uncompensated care representing those patients that are approved by the Village for a discount under its charity care policy guidelines. Throughout the admission, billing, and collection processes, certain patients are identified by the Village as indigent or qualifying for charity care. The Village provides care to these patients without charge or at amounts less than its established rates or actual costs. Net patient service revenue is reflected net of the charity care reserves. Charity care reserves are based on gross revenue foregone. The actual costs for charity care in accordance with the Village's charity care policy aggregated to \$400,016 and \$278,657 for the years ended December 31, 2024 and 2023, respectively.

The Village has agreements with third-party payors that provide for payments to the Village at amounts different from its established rates. A summary of the historical and current payment arrangements with major third-party payors is as follows:

*Medicare* - Medical services rendered to Medicare program beneficiaries are paid under a cost-based reimbursement system. The Village is reimbursed at a tentative (interim) rate, with final settlement determined after submission of the annual cost reports by the Village and audits thereof by the fiscal intermediary.

*Medi-Cal* - Medical services rendered to Medi-Cal beneficiaries are paid under a prospective payment system (PPS), using rates which are updated annually each October and are established based on the Village's previous year's annual cost report.

*Other Payors* - The Village has entered into payment agreements with certain commercial carriers, health maintenance organizations, preferred-provider organizations, and patients considered eligible for coverage under certain Federal Financial Assistance grants. The basis for payment to the Village under these agreements includes discounts from established charges and prospectively determined per-visit rates. Per the Village's charity care policy, patients under 200% of the federal poverty guidelines are charged on a sliding-fee discount basis depending upon family size and income.

Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered and include estimated retroactive revenue adjustments. Revenue is recorded when the services are provided. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such estimated amounts are revised in future periods as adjustments become known.

Estimates of contractual allowances are based upon the payment terms specified in the related contractual agreements. The Village accrues for amounts that it believes may ultimately be due to or from the third-party payors. Normal estimation differences between final settlements and amounts accrued in previous years are reported as changes in estimates in the current year. Outstanding receivables, net of allowances for contractual discounts and bad debts, are included in patient receivables in the accompanying statements of financial position.

**St. Vincent de Paul Village, Inc.  
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Performance obligations are determined based on the nature of the services provided by the Village. The Village measures the performance obligation from encounters with the patient to the point when it is no longer required to provide services to that patient, and, generally, performance obligations are satisfied over time to patients in the Village's treatment centers for mental health and for co-occurring substance use disorders. Certain performance obligations are satisfied at a point in time (usually outpatient behavioral health services and dental) and are generally recognized when services are provided to patients and the Village does not believe it is required to provide additional services related to that encounter.

The Village determines the transaction price based on the standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured, and under-insured patients in accordance with the Village's policy and/or implicit price concessions provided to uninsured and under-insured patients. The Village closely monitors its historical collection rates, as well as changes in applicable laws, rules and regulations, and contract terms, to ensure that provisions for contractual allowances are made using the most accurate information available. However, due to the complexities involved in these estimations, actual payments from payors may be different from the amounts management estimates and records. The Village's primary collection risks relate to uninsured patients and the portion of the bill that is the patient's responsibility, primarily co-payments and deductibles. Payments for services may also be denied due to issues over patient eligibility for medical coverage, or the Village's ability to demonstrate medical necessity for services rendered and payor authorization. The Village determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

***Insurance Proceeds***

The Village recognizes insurance proceeds when it is certain that the proceeds will be received and the amount is realizable. During the year ended December 31, 2023, The Village experienced a flood within the VHC that resulted in a loss of assets. The Village filed an insurance claim and received proceeds amounting to \$843,021. The proceeds have been recognized as non-operating income in the statement of activities.

***Concentrations***

Revenue from one donor accounted for approximately 21% of total contributions and bequests for each of the years ended December 31, 2024 and 2023. Revenue from one grantor accounted for approximately 50% and 51% of total grants for each of the years ended December 31, 2024 and 2023, respectively.

Receivables from one donor and one grantor accounted for approximately 27% of total receivables at December 31, 2024. Receivables from one grantor accounted for approximately 11% of total receivables at December 31, 2023.

***Functional Expenses***

The financial statements report certain categories of expenses that are attributed to program, supporting, and fundraising functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Direct costs that relate to a specific reporting unit are allocated to that reporting unit if it can be reasonably identified. Indirect costs that relate to all operating and administrative units are allocated to those units on a pro-rata basis, either by time and activity

**St. Vincent de Paul Village, Inc.  
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**Notes to Financial Statements**

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sheets, allocated square footage, or another reasonable basis that is appropriate for the individual expense.

The expenses that are allocated include the following:

Expense	Method of Allocation
Rent	Square footage
Occupancy	Square footage
Utilities	Square footage
Insurance	Time and activity/property and vehicle usage
Food	Meal count
Salaries and employee-related expenses	Time and activity

***Fair Value Measurements***

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

*Level 1* - This level consists of observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

*Level 2* - This level consists of observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly.

*Level 3* - This level consists of unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

***Income Taxes***

The Village 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.

***Subsequent Events***

The Village has evaluated subsequent events through the date these financial statements were available to be issued, which was September 23, 2025.

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**St. Vincent de Paul Village, Inc.  
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**Notes to Financial Statements**

### 3. Net Assets with Donor Restrictions

The Village's net assets with donor restrictions are comprised of the following:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
<b>Net Assets with Purpose or Time Restrictions</b>		
Bequests	\$ 3,116,473	\$ 5,211,052
Charitable remainder trusts	1,894,369	1,873,406
Unappropriated endowment earnings	1,714,178	1,408,049
Time restricted for use in future years	958,749	1,437,577
Detox	795,542	-
Youth mental health initiative	220,976	-
Saint Margaret of Cortona Harbor	218,204	300,000
Pooled income fund	81,448	82,699
Employment and education services	70,539	10,000
Therapeutic childcare center	56,216	73,822
Earnings on perpetual trusts	49,439	47,366
Purchasing	36,588	5,000
Interim housing	6,216	5,113
Medical clinic	-	19,145
Dental clinic	-	2,328
	<b>9,218,937</b>	<b>10,475,557</b>
<b>Net Assets with Perpetual Restrictions</b>		
Endowment restrictions:		
Endowments	3,126,143	3,126,843
Other perpetual restrictions:		
St. Vincent de Paul Village fund	935,025	893,452
McEvoy Trust	454,662	435,153
Charles and Lucille Borgerding fund	232,961	222,668
	<b>4,748,791</b>	<b>4,678,116</b>
	<b>\$ 13,967,728</b>	<b>\$ 15,153,673</b>

### 4. Availability and Liquidity

The Village is primarily supported through grants and contributions without donor restrictions, with the remainder funded by grants and contributions with donor restrictions to be used in accordance with the associated purpose restrictions. The Village also receives gifts with perpetual restrictions that are held in the endowment fund; the income generated from the endowment is used to fund programs.

During the years ended December 31, 2024 and 2023, the Village's net assets increased by \$2,125,109 and \$14,920,999, respectively, and cash flows from operations was \$(8,240,694) and \$12,897,169, respectively.

At December 31, 2024 and 2023, the Village's net assets without donor restrictions are \$41,074,165 and \$37,763,111, respectively, and overall net assets are \$55,041,893 and \$52,916,784, respectively. As of December 31, 2024, the Village has approximately eight months of expenses in working capital. As part of the Village's liquidity management, it has a policy to structure its

**St. Vincent de Paul Village, Inc.  
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financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Village sets aside cash in excess of daily requirements in its reserve and investment accounts.

The following tables show the total financial assets held by the Village and the amounts of those financial assets that could readily be made available within one year of the statements of financial position:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
<b>Financial Assets, year end</b>		
Cash and cash equivalents	\$ 9,353,110	\$ 24,058,103
Investments	23,258,586	17,490,765
Grants receivable, net	3,619,672	4,461,376
Contributions and bequests receivable, net	4,075,220	6,653,801
Patient receivables, net	959,420	522,285
Insurance receivable	785,192	1,360,265
Due from related parties	7,669,558	3,992,326
Split-interest agreements	3,660,335	3,564,968
Endowment investments	5,173,142	4,711,743
<b>Total Financial Assets</b>	<b>58,554,235</b>	<b>66,815,632</b>
Less amounts not available to be used within one year:		
Contributions and bequests receivable, net	567,632	918,055
Net assets with donor restrictions that will not be available for general expenditure within one year	9,892,506	8,505,044
<b>Financial Assets Available to Meet General Expenditures Over the Next 12 Months</b>	<b>\$ 48,094,097</b>	<b>\$ 57,392,533</b>

## 5. Contributions and Bequests Receivable

Contributions and bequests receivable are recorded in the statements of financial position as follows:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
Receivable in less than one year	\$ 3,507,588	\$ 5,735,746
Receivable in one to five years	547,334	900,477
Receivable in more than five years	60,000	70,000
	4,114,922	6,706,223
Less: discount	(39,702)	(52,422)
	\$ 4,075,220	\$ 6,653,801
<i>December 31,</i>	<b>2024</b>	<b>2023</b>
Contributions and bequests receivable, current portion	\$ 3,507,588	\$ 5,735,746
Contributions and bequests receivable, net	567,632	918,055
	\$ 4,075,220	\$ 6,653,801

**St. Vincent de Paul Village, Inc.  
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**Notes to Financial Statements**

**6. Contributed Food and Services**

Contributed food and services are utilized to support the Village's programs and services.

Contributed food and services consisted of the following:

*Year ended December 31,*

	2024			2023		
	Housing and Supportive Services	Medical Clinic	Total	Housing and Supportive Services	Medical Clinic	Total
Food	\$ 1,675,463	\$ -	\$ 1,675,463	\$ 1,610,856	\$ -	\$ 1,610,856
Salaries and employee- related expenses	-	28,230	28,230	-	15,060	15,060
<b>Total</b>	<b>\$ 1,675,463</b>	<b>\$ 28,230</b>	<b>\$ 1,703,693</b>	<b>\$ 1,610,856</b>	<b>\$ 15,060</b>	<b>\$ 1,625,916</b>

**7. Investments**

Investments consist of the following:

<i>December 31,</i>	2024	2023
Cash and cash equivalents	\$ 181,893	\$ 226,275
Mutual funds:		
Bond funds	9,591,730	8,168,939
Large blend/growth/value	6,960,434	6,524,644
Municipal bonds	5,636,146	4,018,013
Small blend	1,781,966	920,200
Emerging markets	863,771	707,766
Real estate	97,828	97,252
Other	8,599	12,117
Exchange traded products:		
Exchange traded fund	2,026,372	1,050,173
Exchange traded product	1,282,989	477,129
	<b>\$ 28,431,728</b>	<b>\$ 22,202,508</b>

Investments are reported in the statements of financial position as follows:

<i>December 31,</i>	2024	2023
Investments	\$ 23,258,586	\$ 17,490,765
Endowment investments	5,173,142	4,711,743
	<b>\$ 28,431,728</b>	<b>\$ 22,202,508</b>



**St. Vincent de Paul Village, Inc.  
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**Notes to Financial Statements**

## 8. Split-Interest Agreements

The following table summarizes the Village's split-interest assets, held at fair value using significant Level 3 inputs, and changes therein, for the years ended December 31, 2024 and 2023:

	Pooled Income Fund	Charitable Remainder Trusts	Beneficial Interest in Gift Annuities	Beneficial Interest in Perpetual Trusts	Total
<b>Balance, December 31, 2022</b>	\$ 83,904	\$ 1,663,890	\$ 1,208	\$ 1,533,225	\$ 3,282,227
Distributions	-	-	(7,680)	(56,146)	(63,826)
Change in valuation related to actuarial tables or other observable inputs	(1,205)	209,516	6,472	131,784	346,567
<b>Balance, December 31, 2023</b>	82,699	1,873,406	-	1,608,863	3,564,968
Distributions	-	-	-	(63,921)	(63,921)
Change in valuation related to actuarial tables or other observable inputs	(1,251)	20,963	-	139,576	159,288
<b>Balance, December 31, 2024</b>	\$ 81,448	\$ 1,894,369	\$ -	\$ 1,684,518	\$ 3,660,335

The pooled income fund is composed of investment grade fixed-income securities, which are adjusted using actuarial tables to estimate the remaining lives of the participants and an appropriate interest rate (ranging from 4.00% to 9.00%) to calculate the net present value of the trust. Total unamortized discount for the pooled income fund was \$59,033 and \$57,782 as of December 31, 2024 and 2023, respectively.

The Village has an interest in three charitable remainder trusts. One trust had fair values of \$194,622 and \$157,541 at December 31, 2024 and 2023, respectively, and is composed of common stock, fixed-income securities, and mutual funds, the value of those assets is adjusted using actuarial tables to estimate the remaining life of the donor and an appropriate interest rate to calculate the net present value of the trust. The other two trusts had fair values of \$1,699,747 and \$1,715,865 at December 31, 2024 and 2023, respectively, and are composed of interests in real property. These assets are valued using the fair value of the properties and the Village's corresponding interest in the value. The discount rate on the present value of expected benefits is 8.5%. Total unamortized discount for the charitable remainder trust was \$317,936 and \$262,469 as of December 31, 2024 and 2023, respectively.

Beneficial interests in gift annuities were composed of cash equivalents or fixed-income securities adjusted using actuarial tables to estimate the remaining life of the donor and an appropriate interest rate (8.5% at December 31, 2023) to calculate the net present value of the asset. All beneficial interests had been distributed as of December 31, 2023, and no remaining interest or additions occurred during the year ended December 31, 2024.

The Village has an interest in three perpetual trusts. The trusts are composed of mutual funds and are valued using the fair value and the Village's corresponding interest.

**St. Vincent de Paul Village, Inc.  
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**Notes to Financial Statements**

**9. Property and Equipment**

The Village's property and equipment consist of the following:

<i>December 31,</i>	<b>2024</b>	<b>2023</b>
Equipment, furniture, and vehicles	\$ 3,256,577	\$ 2,851,660
Buildings	1,191,206	1,094,544
Leasehold improvements	4,653,449	4,052,376
	<b>9,101,232</b>	<b>7,998,580</b>
Less: accumulated depreciation and amortization	<b>(5,393,857)</b>	<b>(4,933,721)</b>
	<b>3,707,375</b>	<b>3,064,859</b>
Construction in process	647,589	1,064,964
<b>Net Property and Equipment</b>	<b>\$ 4,354,964</b>	<b>\$ 4,129,823</b>

**10. Debt**

***Forgivable Loans***

In October 2013, the Village was awarded a loan of \$429,916 from the Department of Housing and Community Development Emergency Housing and Assistance Program for tenant improvements at the Village. The loan was secured by a deed of trust on the property and bore simple interest of 3.0%. On June 12, 2024, the entire principal balance of \$426,890 and all related accrued interest of \$123,990 was forgiven. Interest expense related to the loan was \$5,739 and \$12,807 for the years ended December 31, 2024 and 2023, respectively. Accrued interest related to the loan was \$118,251 as of December 31, 2023.

***Note Payable Due to S.V.D.P. Management, Inc.***

A note payable to S.V.D.P. was established in 2018 with a principal amount of \$2,030,000. This note represented a reclassification of cash advances for the period of 2014 through 2017, funding any operating losses of the VHC. The loan amount would 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 would be adjusted no less often than annually based on the total costs of operations as defined by the UDS, Table 8A. The note bore simple interest at the rate of 3% per annum and was unsecured. The term was five years with auto-renewal for consecutive periods of two years unless terminated by either party. The principal of \$3,461,000 and accrued interest of \$682,000 was paid off in January 2023. Interest expense was \$0 for both the years ended December 31, 2024 and 2023.

***Line of Credit***

The Village holds a demand line of credit secured by its investments in the amount of \$2,500,000 with a fluctuating interest rate measured at a spread of 1.25% plus the daily Secured Overnight Financing Rate (Daily SOFR) (5.74% at December 31, 2024). No balance was drawn on this account as of December 31, 2024 and 2023. The line of credit is due upon demand and can be canceled at any time by the bank.

**St. Vincent de Paul Village, Inc.  
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## **11. Leases**

The Village has leased space under noncancelable operating leases with terms that run through December 31, 2028 with options to renew for varying terms at the Village and the respective landlord's discretion. The Village has included one five-year option to extend on a lease in the calculation of ROU assets or lease liabilities as it is reasonably certain that the Village will exercise this option. The Village subleases certain space to a related party as described in Note 12.

Fixed rent costs included in rent expense during the years ended December 31, 2024 and 2023, were \$3,477,765 and \$3,061,542, respectively. Variable rent expense during the years ended December 31, 2024 and 2023, were \$2,149,316 and \$1,233,060, respectively, and are allocated to various line items based on the nature of the common area maintenance (CAM) charges. Sublease income was \$287,167 and \$235,376 during the years ended December 31, 2024 and 2023, respectively, and is recorded as other income in the statements of activities.

Cash paid for amounts included in the measurement of operating lease liabilities were \$1,651,955 and \$860,850 during the years ended December 31, 2024 and 2023, respectively.

The weighted-average remaining lease term was 6.81 years and 9.25 years for operating leases at December 31, 2024 and 2023, respectively. The weighted-average discount rate was 3.65% and 3.52% at December 31, 2024 and 2023, respectively.

Maturities of lease liabilities are as follows:

*Year ending December 31,*

2025	\$ 1,663,179
2026	1,663,179
2027	1,663,179
2028	1,663,179
2029	846,627
Thereafter	2,668,927
	10,168,270
Less: amount representing interest	(1,337,469)
<b>Total Lease Liability</b>	<b>8,830,801</b>
Less: current portion	(1,326,253)
<b>Long-Term Portion</b>	<b>\$ 7,504,548</b>

## **12. Related Party Transactions**

### ***Related Party Expenses***

The Village rents property from S.V.D.P. and various affiliated limited partnerships under long-term and short-term operating leases. The Village's rental expense (including amounts representing interest) to related parties was \$5,551,623 and \$3,148,908 for the years ended December 31, 2024 and 2023, respectively, and is included in rent and allocated to various line items according to the nature of the CAM charges on the statements of functional expenses.

# **St. Vincent de Paul Village, Inc. dba Father Joe's Villages**

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S.V.D.P. has service contracts with the Village to provide administrative, development, and grant services. The charges under these contracts were \$11,997,890 and \$11,365,254 during the years ended December 31, 2024 and 2023, respectively. The administrative services charges are charged based on an allocation of the proportional benefit the Village receives based on cost drivers. In the case that charges are more than actual costs for a fiscal year, S.V.D.P. would only charge the actual costs incurred to the Village. S.V.D.P. may opt to donate a portion of its net profit on retail and auto operations to the Village. The term of the agreement is five years with automatic five-year renewals unless either party gives notice of termination.

The Village facilitates a housing assistance subsidy program that tenants at Benson Place, L.P., 3143 El Cajon Boulevard, L.P., 15th & Commercial, L.P., 16th and Market, L.P., Villa Harvey Mandel, L.P., and Village Place Apartments, L.P. (collectively the Partnerships) qualify for. The program pays for the difference between established rental rates and tenant portions based on income. The Village paid \$972,345 and \$1,081,012 to the Partnerships on behalf of their tenants during the years ended December 31, 2024 and 2023, respectively, and is included in contract services on the statements of functional expenses.

### ***Related Party Income***

On July 1, 2018, the Village 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 S.V.D.P. 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 Village entered into the sub-lease, continuing month to month as of July 1, 2023. The Village's rental income was \$287,167 and \$235,376 during the years ended December 31, 2024 and 2023, respectively, and is included in other income on the statements of activities.

The Village has a service contract with Benson Place, L.P. that commenced September 2020, to provide supportive services including case management, therapy, and other services. The initial rate of \$28,792 per month is adjusted annually in September at an increase of 2%. The services continue until terminated by either party. The charges under this contract were \$369,093 and \$361,856 during the years ended December 31, 2024 and 2023, respectively, and are included in contract income on the statements of activities.

The Village has entered a service contract with 14th & Commercial CIC, L.P. and 14th & Commercial CIC-VHHP, L.P. that commenced December 2019. The Village was to provide design and lease-up services leading up to the construction completion and provide social services for a period of 15 years. The charges under this contract were \$1,850,209 and \$1,825,123 during the years ended December 31, 2024 and 2023, respectively, and are included in contract income on the statements of activities.

### ***Due to Related Parties***

The Village owes S.V.D.P. and various affiliated limited partnerships \$1,538,500 and \$8,858,218 as of December 31, 2024 and 2023, respectively, for contract charges and various rental agreements.

S.V.D.P. and various affiliated limited partnerships owes the Village \$7,669,558 and \$3,992,326 as of December 31, 2024 and 2023, respectively, for service agreements and advances of cash.

**St. Vincent de Paul Village, Inc.  
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**Notes to Financial Statements**

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### **13. Endowment Funds**

As required by the accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Village's endowment funds consist of nine individual funds: several containing donor restrictions, established to provide funding for general operations, education, and children's programs; and a fund designated by the Board of Directors (quasi-endowment).

#### ***Interpretation of Relevant Law***

The Village has interpreted the State of California Uniform Prudent Management of Institutional Funds Acts (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the date of the gift of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Village classifies as net assets with perpetual endowment restrictions (a) the original value of gifts donated to the perpetual endowment and (b) the original value of subsequent gifts to the perpetual endowment. The remaining portion of the donor-restricted endowment fund that is not classified as perpetually restricted is classified as unappropriated earnings until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Village considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund.
- The purposes of the Village and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation or deflation.
- The expected total return from income and the appreciation of investments.
- The investment policies of the Village.
- Other resources of the Village.

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Endowment net assets consist of the following:

***December 31, 2024***

		With Donor Restrictions		
	Without Donor Restrictions	Unappropriated Earnings	Perpetual	Total
Donor-restricted endowment	\$ -	\$ 1,714,178	\$ 3,126,143	\$ 4,840,321
Board-designated quasi-endowment	332,821	-	-	332,821
<b>Total Funds</b>	<b>\$ 332,821</b>	<b>\$ 1,714,178</b>	<b>\$ 3,126,143</b>	<b>\$ 5,173,142</b>

***December 31, 2023***

		With Donor Restrictions		
	Without Donor Restrictions	Unappropriated Earnings	Perpetual	Total
Donor-restricted endowment	\$ -	\$ 1,408,049	\$ 3,126,843	\$ 4,534,892
Board-designated quasi-endowment	176,851	-	-	176,851
<b>Total Funds</b>	<b>\$ 176,851</b>	<b>\$ 1,408,049</b>	<b>\$ 3,126,843</b>	<b>\$ 4,711,743</b>

Changes to endowment net assets are as follows:

***Year ended December 31, 2024***

		With Donor Restrictions		
	Without Donor Restrictions	Unappropriated Earnings	Perpetual	Total
<b>Endowment Net Assets, January 1, 2024</b>	<b>\$ 176,851</b>	<b>\$ 1,408,049</b>	<b>\$ 3,126,843</b>	<b>\$ 4,711,743</b>
Reclassification	700	-	(700)	-
Investment return	155,270	306,129	-	461,399
<b>Endowment Net Assets, December 31, 2024</b>	<b>\$ 332,821</b>	<b>\$ 1,714,178</b>	<b>\$ 3,126,143</b>	<b>\$ 5,173,142</b>

***Year ended December 31, 2023***

		With Donor Restrictions		
	Without Donor Restrictions	Unappropriated Earnings	Perpetual	Total
<b>Endowment Net Assets, January 1, 2023</b>	<b>\$ 35,149</b>	<b>\$ 965,798</b>	<b>\$ 3,126,843</b>	<b>\$ 4,127,790</b>
Investment return	141,702	442,251	-	583,953
<b>Endowment Net Assets, December 31, 2023</b>	<b>\$ 176,851</b>	<b>\$ 1,408,049</b>	<b>\$ 3,126,843</b>	<b>\$ 4,711,743</b>

***Return Objectives and Risk Parameters***

The Village has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Village must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, the funds are invested in a manner intended to

# **St. Vincent de Paul Village, Inc. dba Father Joe's Villages**

## **Notes to Financial Statements**

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produce approximately 5.0% greater than the rate of inflation on a total return basis. Actual returns in any given year may vary from this expected return.

### ***Strategies Employed for Achieving Objectives***

To satisfy its long-term rate-of-return objectives, the Village relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Village uses a diversified asset allocation to achieve its long-term objectives within prudent risk parameters.

### ***Spending Policy and How the Investment Objectives Related to the Spending Policy***

The Village's policy is to appropriate for distribution each year 5.0% of the endowment fund's fair value at a specified time during the year. There were no appropriations for the years ended December 31, 2024 and 2023. Adequate funding was available from other sources to cover the purposes of these endowments. In establishing the policy, the Village considered the long-term expected return on its endowment. Accordingly, over the long term, the Village expects the current spending policy to allow its endowment to grow at an average annual rate equal to the general inflation rate. This is consistent with the Village's objective to maintain the purchasing power of the endowment assets held in perpetuity for a specified term as well as to provide additional real growth through new gifts and investment return.

### ***Funds with Deficiencies***

Occasionally, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Village to retain in perpetuity. There were no such deficiencies as of December 31, 2024 and 2023.

## **14. Commitments and Contingencies**

### ***Litigation***

In the normal course of business, the Village 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 the Village's operations or financial position.

In 2022, the Village became a defendant in three general wage and hour class actions against S.V.D.P. and the Village (collectively the Organizations). All three class actions have been consolidated into one for pre-trial purposes. The Organizations have undergone two mediation attempts, which resulted in a settlement. All parties are currently negotiating the terms of the settlement agreement. Based on the preliminary settlement agreement reached by both parties, the Organizations accrued a loss of \$3,700,000 plus payroll taxes for the year ended December 31, 2023. As of December 31, 2023, a revision of the settlement was made, aggregating the total accrued loss of \$3,700,000 plus payroll taxes. Of the total preliminary settlement loss, the Village was allocated \$2,777,523 based on the total number of employees between S.V.D.P. and the Village. The settlement was finalized and paid in December 2024, totaling \$3,454,825, of which the Village was allocated \$2,591,119. The difference between the final settlement and estimated accrual of \$186,404 was recognized as miscellaneous income during the year ended December 31, 2024.

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In October 2024, the Village was made aware that S.V.D.P. had identified a cybersecurity incident, whereby S.V.D.P. experienced an external attack on its internal infrastructure. S.V.D.P. has taken steps to address the breach and is aware that personally identifiable information (PII) has been comprised. In September 2025, S.V.D.P. became a defendant in a class action related to this breach. No estimate can be made regarding the potential loss, if any, arising from this matter, as the lawsuit is ongoing.

### ***Legislation***

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations is subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by health care providers of fraud and abuse statutes and regulations, which would result in the imposition of significant fines and penalties, as well as significant repayments for patient service previously billed. Even if the Village were to ultimately prevail, a significant governmental inquiry or action under one of the above laws, regulations, or rules could have a material adverse impact on it.

The Village is not aware of any material claims, disputes, or unsettled matters that would require adjustments or disclosure in the accompanying financial statements.

The Village participates in the State of California FQHC Medi-Cal reimbursement program. The State of California performs periodic audits that could result in some patient costs and visits not being reimbursable or allowable, or an adjustment in reimbursement rates, under the terms of the program.

### ***Grant Commitments***

The Village has entered into grant agreements with the U.S. Department of Housing and Urban Development (HUD) whereby these grants will subsidize a portion of the operating costs of various programs. The Village is committed to certain matching funds that are to be provided by fundraising. The match is 25% of HUD committed funds. As of December 31, 2024, the Village has committed to a match of \$1,003,864.

These grant agreements and certain other grant support 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.

The Village is a pass-through entity for certain HUD projects. As a result, it has contracted with subrecipients to perform the tasks required by the project agreements. As of December 31, 2024, the Village has conditionally committed \$365,500 of funding to subrecipients.



**St. Vincent de Paul Village, Inc.  
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**15. Medical Self-Insurance**

The Village self-insures its medical insurance plan for employees. The plan is self-funded by the Village, which means that the Village is financially responsible for the payment of plan benefits. To be eligible for benefits, the individual must complete one month of employment and be a regular and active employee who is paid on a regular basis through the Village payroll system. The Village has purchased specific stop-loss insurance to protect itself from large individual claims which currently reimburses individual claims exceeding \$100,000.

At December 31, 2024 and 2023, a reserve of \$1,297,196 and \$1,841,438, respectively, has been recorded to set aside funds to pay for future claims. The sufficiency of the reserve will be monitored and adjusted as historical data can be analyzed. Receivables under the stop loss policies were \$785,192 and \$1,360,265 at December 31, 2024 and 2023, respectively. Self-insurance claims paid were \$2,169,980 and \$2,144,016 during the years ended December 31, 2024 and 2023, respectively, and are included in employee benefits expense on the statements of functional expenses. Because of the inherent uncertainties in estimating future medical claims, it is at least reasonably possible that the estimates used will change in the near term, and the change could be material.