

**IGNATIAN LAY VOLUNTEER CORPORATION**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

# IGNATIAN LAY VOLUNTEER CORPORATION

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## Independent Auditors' Report

Board of Directors  
Ignatian Lay Volunteer Corporation  
Baltimore, Maryland

### **Opinion**

We have audited the accompanying financial statements of the Ignatian Lay Volunteer Corporation (a nonprofit organization), which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ignatian Lay Volunteer Corporation as of September 30, 2022 and 2021, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial statements section of our report. We are required to be independent of Ignatian Lay Volunteer Corporation and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Ignatian Lay Volunteer Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditors' Report (continued)

**Auditors' 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 Ignatian Lay Volunteer Corporation'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 Ignatian Lay Volunteer Corporation'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.

*Weylich, Cronin & Serra, LLC*

Hunt Valley, Maryland  
March 10, 2023

# IGNATIAN LAY VOLUNTEER CORPORATION

## Statements of Financial Position September 30, 2022 and 2021

### ASSETS

	<u>2022</u>	<u>2021</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 922,166	\$ 455,846
Accounts receivable - current	377,848	246,884
Pledges receivable - current, net of allowance	96,952	147,118
Prepaid expenses	13,888	37,653
Total Current Assets	<u>1,410,854</u>	<u>887,501</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Computer equipment	21,196	21,196
Website development costs	24,800	24,800
	<u>45,996</u>	<u>45,996</u>
Less: accumulated depreciation	(45,996)	(38,932)
Total Property and Equipment	<u>- 0 -</u>	<u>7,064</u>
<b>OTHER ASSETS:</b>		
Trademark	3,612	3,612
Pledges receivable, net	4,410	51,891
Total Other Assets	<u>8,022</u>	<u>55,503</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,418,876</u>	<u>\$ 950,068</u>

### LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 93,771	\$ 100,868
Current portion of loans payable	9,982	659
Current portion of lease payable	1,849	7,236
Deferred revenue	675,842	504,766
Total Current Liabilities	<u>781,444</u>	<u>613,529</u>
<b>LONG TERM LIABILITIES</b>		
Lease payable	- 0 -	1,855
Loans payable	384,718	149,341
Total Long Term Liabilities	<u>384,718</u>	<u>151,196</u>
<b>TOTAL LIABILITIES</b>	<u>1,166,162</u>	<u>764,725</u>
<b>NET ASSETS</b>		
Without donor restrictions	196,714	135,343
Without donor restrictions - board designated	50,000	50,000
With donor restrictions	6,000	- 0 -
Total Net Assets	<u>252,714</u>	<u>185,343</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,418,876</u>	<u>\$ 950,068</u>

See accompanying notes to financial statements

## IGNATIAN LAY VOLUNTEER CORPORATION

### Statements of Activities and Changes in Net Assets For the Years Ended September 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
<b>PARTNERSHIP FEES</b>	\$ 811,847	\$ - 0 -	\$ 811,847	\$ 634,119	\$ - 0 -	\$ 634,119
<b>FUNDRAISING:</b>						
Contributions and Jesuit support	344,921	- 0 -	344,921	305,055	- 0 -	305,055
Foundation grants	171,180	- 0 -	171,180	192,995	- 0 -	192,995
Special events, net	270,668	- 0 -	270,668	234,596	- 0 -	234,596
Ignite! Campaign	102,754	6,000	108,754	443,760	- 0 -	443,760
Invisible Words	219,220	- 0 -	219,220	- 0 -	- 0 -	- 0 -
<b>Total Fundraising</b>	<b>1,108,743</b>	<b>6,000</b>	<b>1,114,743</b>	<b>1,176,406</b>	<b>- 0 -</b>	<b>1,176,406</b>
<b>Total Support and Revenue</b>	<b>1,920,590</b>	<b>6,000</b>	<b>1,926,590</b>	<b>1,810,525</b>	<b>- 0 -</b>	<b>1,810,525</b>
<b>EXPENSES:</b>						
Program services	1,544,664	- 0 -	1,544,664	1,376,077	- 0 -	1,376,077
Management and general	444,838	- 0 -	444,838	431,639	- 0 -	431,639
Fundraising	221,313	- 0 -	221,313	193,597	- 0 -	193,597
<b>Total Expenses</b>	<b>2,210,815</b>	<b>- 0 -</b>	<b>2,210,815</b>	<b>2,001,313</b>	<b>- 0 -</b>	<b>2,001,313</b>
<b>OTHER INCOME:</b>						
Employee Retention Credit	344,475	- 0 -	344,475	- 0 -	- 0 -	- 0 -
Forgivable PPP loan proceeds	- 0 -	- 0 -	- 0 -	237,400	- 0 -	237,400
Rental income	6,000	- 0 -	6,000	1,250	- 0 -	1,250
Interest income	1,121	- 0 -	1,121	- 0 -	- 0 -	- 0 -
<b>Total Other Income</b>	<b>351,596</b>	<b>- 0 -</b>	<b>351,596</b>	<b>238,650</b>	<b>- 0 -</b>	<b>238,650</b>
<b>CHANGE IN NET ASSETS</b>	<b>61,371</b>	<b>6,000</b>	<b>67,371</b>	<b>47,862</b>	<b>- 0 -</b>	<b>47,862</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>185,343</b>	<b>- 0 -</b>	<b>185,343</b>	<b>137,481</b>	<b>- 0 -</b>	<b>137,481</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 246,714</b>	<b>6,000</b>	<b>\$ 252,714</b>	<b>\$ 185,343</b>	<b>\$ - 0 -</b>	<b>\$ 185,343</b>

See accompanying notes to financial statements

## IGNATIAN LAY VOLUNTEER CORPORATION

### Statements of Functional Expenses For the Years Ended September 30, 2022 and 2021

	2022				2021			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 990,933	\$ 172,956	\$ 115,969	\$ 1,279,858	\$ 991,776	\$ 188,753	\$ 111,119	\$ 1,291,648
Employee benefits and taxes	129,807	17,808	18,658	166,273	106,621	38,220	18,220	163,061
	1,120,740	190,764	134,627	1,446,131	1,098,397	226,973	129,339	1,454,709
Bad debts	- 0 -	18,825	- 0 -	18,825	- 0 -	23,900	- 0 -	23,900
Insurance	- 0 -	29,858	- 0 -	29,858	- 0 -	16,510	- 0 -	16,510
Meetings and retreats	83,756	7,771	- 0 -	91,527	24,586	5,006	- 0 -	29,592
Miscellaneous	6,553	3,327	- 0 -	9,880	1,329	2,446	- 0 -	3,775
Occupancy expenses	4,800	9,600	2,400	16,800	2,000	9,600	2,400	14,000
Office supplies, books and equipment	91,827	15,975	- 0 -	107,802	89,886	13,943	- 0 -	103,829
Postage and shipping	5,028	1,135	1,134	7,297	2,905	1,243	1,243	5,391
Printing and promotion	18,991	18,623	4,656	42,270	10,808	12,215	3,053	26,076
Professional fees	153,054	111,094	64,060	328,208	128,422	108,422	53,046	289,890
Special projects	30,986	15,000	- 0 -	45,986	- 0 -	- 0 -	- 0 -	- 0 -
Telephone and internet	4,794	4,669	1,167	10,630	4,659	3,478	870	9,007
Travel and transportation	12,637	13,269	13,269	39,175	3,152	3,646	3,646	10,444
	1,533,166	439,910	221,313	2,194,389	1,366,144	427,382	193,597	1,987,123
Depreciation and amortization	4,945	2,119	- 0 -	7,064	4,946	2,119	- 0 -	7,065
Interest expense	6,553	2,809	- 0 -	9,362	4,987	2,138	- 0 -	7,125
	\$ 1,544,664	\$ 444,838	\$ 221,313	\$ 2,210,815	\$ 1,376,077	\$ 431,639	\$ 193,597	\$ 2,001,313

See accompanying notes to the financial statements

## IGNATIAN LAY VOLUNTEER CORPORATION

### Statements of Cash Flows For the Years Ended September 30, 2022 and 2021

	2022	2021
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 67,371	\$ 47,862
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	7,064	7,065
Forgiveness of PPP loan	- 0 -	(237,400)
(Increase) decrease in assets:		
Accounts receivable	(130,964)	90,762
Pledges receivable, net	97,647	167,877
Prepaid expenses	23,765	(22,489)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(7,097)	31,068
Deferred revenue	171,076	(42,281)
	228,862	42,464
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Principal payments on benefactor loans	- 0 -	(37,000)
Principal payments on capital lease	(7,242)	(7,003)
Payments on line of credit	(105,075)	(5,000)
Proceeds from line of credit	105,075	5,000
Proceeds from EIDL loan	250,000	- 0 -
Proceeds from PPP loan	- 0 -	237,400
Principal payments on term loan	(5,300)	(48,086)
	237,458	145,311
NET INCREASE IN CASH	466,320	187,775
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	455,846	268,071
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 922,166	\$ 455,846
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Interest paid	\$ 9,362	\$ 7,125
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING TRANSACTIONS:</b>		
Forgiveness of debt obligation - PPP loan	\$ - 0 -	\$ 237,400

See accompanying notes to financial statements



# IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2022 and 2021

## 1. Summary of Significant Accounting Policies

Nature of Operations - Ignatian Lay Volunteer Corporation (d/b/a Ignatian Volunteer Corps) (the Organization) is a religious nonprofit Maryland corporation whose purpose is to provide men and women age 50 and over the opportunity to serve the needs of people who are poor, to work for a more just society, and to grow deeper in Christian faith by reflecting and praying in the Ignatian tradition. The Organization was founded by Jesuits of the Maryland Province in response to General Congregation 34 of the Society of Jesus. The Organization is independent and lay led, and firmly committed to maintaining its Ignatian character and its strong ties to the Society of Jesus.

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 of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and certain reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect receivables, payables, and other assets and liabilities. As such, revenues are recognized when earned and expenditures when incurred.

Financial Statement Presentation - The Organization 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 represent the portion of net assets that is not subject to donor-imposed restrictions. Such net assets are available for use at the discretion of management and/or the Board of Directors for general operating purposes. The Board of Directors may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

Net assets without donor restrictions – board designated represent \$50,000 which has been designated for creation of a San Francisco region.

Net assets with donor restrictions represent the portion of net assets that is subject to donor-imposed restrictions. Such restrictions may specify a purpose for which, or time in which, resources can be used. Some net assets with donor restrictions include stipulations that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board-approved spending policy.

Reclassification - Certain amounts in the prior period consolidated financial statements have been reclassified for comparative purposes to conform to the current period presentation.

# IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2022 and 2021

## 1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Organization considers all highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable - Accounts receivable consists of uncollected partnership fees which are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides an allowance for accounts receivable, as needed, for amounts deemed uncollectible. The allowance is based on experience and other circumstances which may affect a Partner's ability to meet its obligation. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. No allowance for uncollectible accounts is provided for the accounts receivable for the years ended September 30, 2022 and 2021 because management does not deem it necessary based on historical collection experience.

Pledges Receivable - Unconditional promises to give, net of a discount if the pledge is due in one year or more, are recorded as contributions revenue and receivables in the year made. The Organization provides an allowance for doubtful accounts, as needed, for amounts deemed uncollectible. The allowance is based on historical experience and management's analysis of specific pledges receivable. It is the Organization's policy to charge off uncollectible pledges when management determines the pledge will not be collected. Management has established an allowance of \$16,100 and \$15,000 for the years ended September 30, 2022 and 2021.

Property and Equipment - Property and equipment are recorded at cost, if purchased, or at fair value at the date of the gift, if donated. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

It is the Organization's policy to capitalize additions in excess of \$1,000. The cost of maintenance and repairs is charged to current operations as incurred, whereas significant renewals and betterments are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statements of activities and changes in net assets for the period. Included in property and equipment is the cost to develop the Organization's website. Depreciation and amortization is provided by the straight-line method over estimated lives of 3 to 5 years.

Paycheck Protection Program and Employee Retention Credit – The Organization followed Financial Accounting Standards Board Topic 958-605, Revenue Recognition for Not-for-Profit Entities in accounting for its Paycheck Protection Program (PPP) Loan and Employee Retention Credit (ERC) refund.

# IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2022 and 2021

## 1. Summary of Significant Accounting Policies (continued)

The loan was effectively accounted for as a conditional grant which, due to a measurable performance or other barrier and a right of return, was not recognized until the conditions on which it depends have been substantially met (see Note 6). The ERC is accounted for as a conditional grant, which, due to a measurable performance or other barrier and a right of return, is not recognized until the conditions on which it depends have been substantially met (see Note 8).

Revenue Recognition - Contributions, including Jesuit Support, Invisible Words support and Ignite! Campaign support, and foundation grants are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. These amounts are recorded at fair value at the date of the contribution. All contributions are considered available for the Organization's general programs unless specifically restricted by donors. Amounts received that are restricted for future periods or specific purposes by donors are reported as restricted support and increase net assets with donor restrictions. 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 are reported in the statements of activities and changes in net assets as net assets released from restrictions. Contributions and foundation grants received with donor-imposed restrictions that are met within the same reporting period are presented as support without donor restrictions and increase net assets without donor restrictions.

Contributions that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Amortization of the discount is included in contribution revenue.

The Organization receives grants awarded by various foundations to provide funding for services to the general public. These grants are considered conditional promises to give. Revenue is recognized as conditions are met. Funds received in advance are recorded as refundable advances. As of September 30, 2022 and 2021, the balance of refundable advances was \$ -0-.

The Organization recognizes revenues from partnership fees (a fixed-price contract) for placement of service corps members. Services provided to the agency include assistance in job/position description development, recruitment and service assignment placement and support, as well as the structured ongoing spiritual support and reflection program for each service corps member during their period of service, which is a major element of the service. Partnership fees are paid by the agency. Revenues derived from partnership fees are considered to be available for unrestricted use and are recognized upon delivery of the specified service period (September – June). The Organization requires payment of the partnership fees at or just before the beginning of the period of service. Accounts receivable (contract assets) are amounts that have been billed and not collected. Deferred revenue (contract liabilities) as of September 30, 2022 and 2021 represents partnership fees billed during 2022 and 2021 for which service will be completed during the next fiscal year. The contract liabilities are satisfied when revenue is recognized.

## IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2022 and 2021

### 1. Summary of Significant Accounting Policies (continued)

Special Events – The Organization operates several special events. Revenue related to these events is generally received in the same period the event takes place. Therefore, revenue is recognized in the period it is received. The performance obligation is satisfied on the date of the event.

The Organization benefits from several different revenue streams. The disaggregation of revenue for the years ended September 30, 2022 and 2021 is included in the chart below:

Revenue Type	Timing of Revenue Recognition	2022	2021
Partnership fees	Service period	\$ 811,847	\$ 634,119
Contributions and Jesuit support	Upon receipt	344,921	305,055
Foundation grants	Upon receipt	171,180	192,995
Special events, net	Date of event	270,668	234,596
Ignite! Campaign	Upon unconditional promise	108,754	443,760
Invisible Words	Upon unconditional promise	219,220	- 0 -
Rental Income	Period of lease	6,000	1,250
PPP forgiveness	After condition is satisfied	- 0 -	237,400
Employee Retention Credit	After condition is satisfied	344,475	- 0 -
Interest income	Period income is earned	1,121	- 0 -
		<u>\$ 2,278,186</u>	<u>\$ 2,049,175</u>

Donated Services, Materials and Facilities – The Organization receives a significant amount of donated services from unpaid volunteers who assist in the Organization's operations. Donated professional services are recognized if the services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No amounts have been recognized in the statements of activities and changes in net assets as contributions because the criteria for recognition have not been satisfied.

Space for some regional offices throughout the United States is provided without cost. The value of the donated facilities has not been determined, as there is no quantifiable method to determine the value of these facilities, and therefore is not reported in these financial statements.

Functional Allocation of Expenses - Expenses are presented by both function and natural classification in the statements of functional expenses. Expenses that are directly identifiable with a particular function are charged to the program or supporting service benefited. Other expenses may benefit more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation and occupancy, which are allocated on a square footage basis.

## IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2022 and 2021

### 1. Summary of Significant Accounting Policies (continued)

Tax Status - The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) as an organization, other than a private foundation, under a group ruling for all organizations connected with the Roman Catholic Church in the United States of America. Accordingly, no provision for income taxes is included in these financial statements. Ignatian Lay Volunteer Corporation is no longer subject to U.S. federal or state income tax examinations by tax authorities for fiscal years before September 30, 2019.

Advertising Costs – The Organization expenses advertising costs as they are incurred. Advertising expense, reported as part of printing and promotion expense on the statements of functional expenses, was \$11,207 and \$7,728 for the years ended September 30, 2022 and 2021.

### 2. Pledges Receivable

Unconditional promises to give to the Ignite! Campaign are recorded in the financial statements as pledges receivable and revenue when the unconditional promise is received. The Ignite! Campaign overall (from its commencement) seeks to provide \$3 million dollars in additional funding to expand operational capacity. As such, the majority of pledges are recorded without donor restrictions. Pledges are recorded after being discounted to the anticipated net present value of future cash flows.

The pledges are expected to be realized as follows:

	2022	2021
Collectible in 1 year or less	\$ 113,052	\$ 162,118
Collectible in 1 - 5 years	4,500	52,950
	117,552	215,068
Less: allowance for uncollectible pledges	(16,100)	(15,000)
Less: 2% discount to net present value	(90)	(1,059)
	\$ 101,362	\$ 199,009

The pledges are reported on the statements of financial position as of September 30, 2022 and 2021 as follows:

	2022	2021
Pledges receivable - current, net of allowance	\$ 96,952	\$ 147,118
Pledges receivable, net	4,410	51,891
	\$ 101,362	\$ 199,009

## IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2022 and 2021

### 3. Benefactor Loan Payable

On July 27, 2017, Ignatian Lay Volunteer Corporation entered into an interest free note payable for \$65,000 with a benefactor who is a current Board Member of Ignatian Lay Volunteer Corporation and was also a Board Member when the loan was initiated. The note was unsecured. The note was to mature on September 30, 2018, however the terms of this loan were changed to "due on demand" subsequent to the initial maturity date. The loan was paid in full during the year ended September 31, 2021.

### 4. Line of Credit

In March 2020, the Organization obtained a \$250,000 line of credit with Orrstown Bank. The current line of credit calls for interest at a variable rate. As September 30, 2022 and 2021 the interest rate was 6.75% and 4.50%, respectively. As of September 30, 2022 and 2021, the line had no balance.

### 5. Loans Payable

In October 2018, the Organization entered into an agreement with Hamilton Bank (which was subsequently acquired by Orrstown Bank) for a 36 month term loan for \$100,000. The loan is secured by the assets of the Organization. Monthly payments of \$3,029 consisting of principal and interest at 5.63% began on December 1, 2018, and the loan was paid in full in September 2021.

In April 2020, the Organization applied for and received a \$10,000 EIDL emergency grant under the Paycheck Protection Program (PPP). The original agreement required repayment of the \$10,000 EIDL grant over a 24 month period. However, in December 2020, Congress passed, and President signed, the Consolidated Appropriates Act which required the SBA to forgive the emergency grant. Accordingly, forgiveness of the EIDL grant was recognized as other income during the year ended September 30, 2021.

In May 2020, the Organization entered into an agreement with the Small Business Administration (SBA) for a 30 year term loan for \$150,000, also referred to as the Economic Injury and Disaster Loans (EIDL). Monthly payments of \$641 consisting of principal and interest at 2.75% began June 2021. This loan is secured by the assets of the Organization. Each payment will be applied first to interest accrued to the date of receipt of each payment, and the balance, if any, will be applied to principal.

In February 2022, the loan was modified to increase loan amount by \$250,000 to a total of \$400,00 and increased the monthly payment to \$1,725. All other terms and conditions remained unchanged. Total balance outstanding was \$394,700 and \$150,000 as of September 30, 2022 and 2021, respectively. Unpaid accrued interest was \$-0- and \$2,883 as of September 30, 2022 and 2021, respectively and was reported as part of accounts payable and accrued expenses.

## IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2022 and 2021

### 5. Loans Payable (continued)

Maturities of long term debts are as follows:

Years ending September 30,	2023	\$	9,982
	2024		10,260
	2025		10,546
	2026		10,839
	2027		11,141
	Thereafter		<u>341,932</u>
		\$	<u>394,700</u>

### 6. Refundable Advance – PPP Loan

In January of 2021, the Organization applied for and received funds from the second round of PPP loans totaling \$227,400. This loan qualified for forgiveness after 24 weeks, if all criteria were met. Payments on this loan were deferred until the date the SBA remits the borrower's loan forgiveness amount to the lender, or until 10 months after the 24-week eligibility period if the borrower never requests forgiveness. In September 2021, the Organization received notification that the entire loan was forgiven.

### 7. Deferred Revenue

Deferred revenue as of September 30, 2022 and 2021 consisted of partnership fees billed during the current year that are for services to be performed in the subsequent fiscal year. Deferred revenue as of September 30, 2022 and 2021 totaled \$675,842 and \$504,766, respectively.

### 8. Employee Retention Credit

The Coronavirus Aid, Relief, and Economic Security (CARES) Act established the Employee Retention Credit (ERC), a credit against certain payroll taxes allowed to an eligible employer for qualifying wages, to provide economic relief to companies affected by COVID-19. The ERC is a fully refundable credit against the employer portion of Social Security taxes based on the amount of qualified wages that an eligible employer has incurred before October 1, 2021. The maximum credit is based on a qualified-wages ceiling for each employee. The Organization qualified for the ERC during the year ended September 30, 2022 in the amount of \$344,475. This amount has been recognized as a separate line on the statement of activities and changes in net assets for the year ended September 30, 2022.

### 9. Special Events - Net

Special events are recorded net of their related expenses. For the year ended September 30, 2022, gross receipts for events were \$355,090 and related expenses for the year were \$84,422. For the year ended September 30, 2021, gross receipts for events were \$269,021 and related expenses for the year were \$34,425.

## IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2022 and 2021

### 10. Net Assets with Donor Restrictions

As of September 30, 2022 the Organization had \$6,000 of net assets with donor restrictions to be used for the Omaha region. There were no net assets with donor restrictions as of September 30, 2021.

### 11. Conditional Promises to Give

During 2021 the Organization received foundation grants that contain provisions conditioning the funding upon meeting certain objectives. Since these grants represent conditional promises to give, they are not recorded as foundation contribution revenue until donor conditions are met. The amount of conditional promises to give as of September 30, 2022 and 2021 totaled \$100,000 and \$150,000, respectively.

### 12. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of September 30, 2022 and 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	<u>2022</u>	<u>2021</u>
Financial assets at year end	\$ 1,401,376	\$ 901,739
Less those unavailable for general expenditures within one year, due to:		
Pledge payments not due within on year	(4,410)	(51,891)
Restricted by donors with purpose or time restrictions	<u>(6,000)</u>	<u>- 0 -</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,390,966</u>	<u>\$ 849,848</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help management meet unanticipated liquidity needs, the Organization has a committed line of credit of \$250,000, which it could draw upon in 2023.

### 13. Occupancy Expense

On January 1, 2017, the Organization entered into a lease agreement for space for its National headquarters and Baltimore regional office location through December 31, 2018. The lease calls for payments of \$860 a month through June 30, 2017, then payments of \$1,000 through December 31, 2018. The national headquarters/Baltimore regional office have continued to occupy the space on a month-to-month basis since December 31, 2018.



**IGNATIAN LAY VOLUNTEER CORPORATION**

Notes to Financial Statements  
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13. Occupancy Expense (continued)

In July 2021, the Organization entered into a memorandum of understanding with the Sisters of Notre Dame de Namur Base Communities to share space in the regional office location mentioned in the previous paragraph at a rate of \$500 a month. Rental income received for the year ended September 30, 2022 and 2021 was \$6,000 and \$1,250, respectively and is reported separately on the statements of activities and changes in net assets in rental income.

The Organization leases office space for its Northern Virginia regional office under a lease which began August 2019 which was to expire July 31, 2020 for monthly rent of \$500. The Northern Virginia regional office continued to occupy the space on a month-to-month basis after July 31, 2020. The Organization and the lessor agreed to abate rent as a result of the pandemic from January through June 2021. Lease payments resumed in July 2021 and continued through June 2022.

Total amounts charged to rent expense for the years ended September 30, 2022 and 2021 was \$16,800 and \$14,000, respectively.

14. Service Agreement and Equipment Lease

In December 2019, the Organization entered into a 36-month managed IT service agreement effective December 2019, with monthly service fees of \$3,379. Of those fees, \$2,759 a month is attributable to the services provided. Also included in this agreement is computer equipment treated as a capital lease arrangement. Monthly cost of the equipment is \$620.

For the years ended September 30, 2022 and 2021, costs associated with these agreements were \$56,886 and \$51,977 and reported as part of office supplies, books and equipment on the statements of functional expenses.

Future minimum payments under the terms of the lease are as follows:

	<u>IT Services</u>	<u>Equipment Lease</u>
Years ending September 30, 2023	<u>\$ 8,277</u>	<u>\$ 1,859</u>
Total Payments	<u>\$ 8,277</u>	<u>\$ 1,859</u>
Less: interest		<u>(10)</u>
Total Principal Payments		<u>\$ 1,849</u>
Current portion of principal		<u>\$ 1,849</u>

The cost of equipment capitalized under the 2019 lease was \$21,196 for the years ended September 30, 2022 and 2021. For the years ended September 30, 2022 and 2021, depreciation expense was \$7,064 and \$7,065, respectively; and accumulated depreciation was \$21,196 and \$14,132 respectively.

## IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2022 and 2021

### 15. Retirement Plan

The Organization provides the opportunity for employees to participate in a 403(b) thrift pension plan. It does not match employee contributions.

### 16. Related Party Transactions

As reported in Note 3, one of the current Board Members of Ignatian Lay Volunteer Corporation entered into a note payable with the Organization. The note was paid in full during the year ended September 30, 2021.

### 17. Concentrations of Credit Risk

In the ordinary course of business, Organization's cash and cash equivalents balances may exceed FDIC insurance limits. The Organization continually reviews credit concentrations as part of its asset and liability management.

### 18. Contingency

In March 2020, significant mitigation efforts began taking effect in the United States in an attempt to curtail the spread of the coronavirus (COVID-19) pandemic. Such efforts have included travel restrictions, business disruptions, and event cancelations. Capital markets have seen significant volatility in the wake of the pandemic and significant economic disruptions have occurred across the Country. In response, the Organization has altered its operation and interactions with program participants and donors. Management cannot reasonably estimate the related financial impact and duration of the situation at this time. However, management believes it has sufficient cash reserves to sustain operations in the event of continued disruption. Management intends to monitor the situation on an ongoing basis and to continue efforts to reduce its impact on the Organization's operation and financial resources.

### 19. Subsequent Events

In preparing these financial statements, the Organization has evaluated subsequent events through March 10, 2023, the date which the financial statements were available to be issued.