

**IGNATIAN LAY VOLUNTEER CORPORATION**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

# IGNATIAN LAY VOLUNTEER CORPORATION

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## Independent Auditors' Report

Board of Directors  
Ignatian Lay Volunteer Corporation  
Baltimore, Maryland

We have audited the accompanying financial statements of Ignatian Lay Volunteer Corporation (a nonprofit organization), which comprise the statements of financial position as of September 30, 2018 and 2017, 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.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Independent Auditors' Report (continued)

**Opinion**

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, 2018 and 2017, 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.

*Weyrich, Cronin & Sarra*

Lutherville, Maryland  
February 1, 2019

# IGNATIAN LAY VOLUNTEER CORPORATION

Statements of Financial Position  
September 30, 2018 and 2017

<u>ASSETS</u>		
	2018	2017
<b>CURRENT ASSETS</b>		
Cash	\$ 19,317	\$ 63,139
Accounts receivable - current	328,259	429,940
Pledges receivable - current	184,312	146,620
Prepaid expenses	7,095	6,381
TOTAL CURRENT ASSETS	538,983	646,080
<b>PROPERTY AND EQUIPMENT</b>		
Computer equipment	43,747	43,747
Website development costs	24,800	24,800
	68,547	68,547
Less: accumulated depreciation	(61,489)	(55,439)
TOTAL PROPERTY AND EQUIPMENT	7,058	13,108
<b>OTHER ASSETS</b>		
Trademark	3,612	3,612
Pledges receivable, net	159,688	192,858
TOTAL OTHER ASSETS	163,300	196,470
TOTAL ASSETS	\$ 709,341	\$ 855,658
<u>LIABILITIES AND NET ASSETS</u>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 29,480	\$ 58,702
Benefactor loans payable	65,000	65,000
Line of credit	25,000	25,000
Current portion of loan payable	32,679	- 0 -
Current portion of lease payable	7,931	5,667
Deferred revenue	572,065	537,941
TOTAL CURRENT LIABILITIES	732,155	692,310
<b>LONG TERM LIABILITIES</b>		
Lease payable	790	8,721
Loan payable	67,321	100,000
TOTAL LONG TERM LIABILITIES	68,111	108,721
TOTAL LIABILITIES	800,266	801,031
<b>NET ASSETS</b>		
Unrestricted	(90,925)	(20,373)
Temporarily restricted	- 0 -	75,000
	(90,925)	54,627
TOTAL LIABILITIES AND NET ASSETS	\$ 709,341	\$ 855,658

See accompanying notes to financial statements

**IGNATIUS LAY VOLUNTEER CORPORATION**

Statements of Activities and Changes in Net Assets  
For the Years Ended September 30, 2018 and 2017

	2018		2017			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>						
<b>PARTNERSHIP FEES</b>	\$ 636,979	\$ - 0 -	\$ 636,979	\$ 587,638	\$ - 0 -	\$ 587,638
<b>FUNDRAISING</b>						
Jesuit Provinces	10,000	- 0 -	10,000	- 0 -	- 0 -	- 0 -
Foundations	94,696	- 0 -	94,696	109,000	132,000	241,000
Annual appeal	233,034	- 0 -	233,034	222,855	- 0 -	222,855
Major gifts	22,000	- 0 -	22,000	71,328	- 0 -	71,328
Events	160,402	- 0 -	160,402	185,441	- 0 -	185,441
Board gifts	28,400	- 0 -	28,400	1,155	- 0 -	1,155
Ignite! Campaign - Board gifts	34,703	- 0 -	34,703	126,862	- 0 -	126,862
Ignite! Campaign	254,423	- 0 -	254,423	341,727	- 0 -	341,727
Jesuit Communities	21,420	- 0 -	21,420	32,910	- 0 -	32,910
Released from restrictions	75,000	(75,000)	- 0 -	82,000	(82,000)	- 0 -
<b>TOTAL FUNDRAISING</b>	<b>934,078</b>	<b>(75,000)</b>	<b>859,078</b>	<b>1,173,278</b>	<b>50,000</b>	<b>1,223,278</b>
<b>OTHER</b>						
Investment income	- 0 -	- 0 -	- 0 -	68	- 0 -	68
<b>TOTAL SUPPORT AND REVENUE</b>	<b>1,571,057</b>	<b>(75,000)</b>	<b>1,496,057</b>	<b>1,760,984</b>	<b>50,000</b>	<b>1,810,984</b>
<b>EXPENSES</b>						
Program services	1,070,700	- 0 -	1,070,700	1,136,574	- 0 -	1,136,574
Management and general	410,972	- 0 -	410,972	345,144	- 0 -	345,144
Fundraising	159,937	- 0 -	159,937	141,159	- 0 -	141,159
<b>TOTAL EXPENSES</b>	<b>1,641,609</b>	<b>- 0 -</b>	<b>1,641,609</b>	<b>1,622,877</b>	<b>- 0 -</b>	<b>1,622,877</b>
<b>CHANGE IN NET ASSETS</b>	<b>(70,552)</b>	<b>(75,000)</b>	<b>(145,552)</b>	<b>138,107</b>	<b>50,000</b>	<b>188,107</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>(20,373)</b>	<b>75,000</b>	<b>54,627</b>	<b>(158,480)</b>	<b>25,000</b>	<b>(133,480)</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ (90,925)</b>	<b>\$ - 0 -</b>	<b>\$ (90,925)</b>	<b>\$ (20,373)</b>	<b>\$ 75,000</b>	<b>\$ 54,627</b>

See accompanying notes to financial statements

**IGNATIAN LAY VOLUNTEER CORPORATION**

Statements of Functional Expenses  
For the Years Ended September 30, 2018 and 2017

	2018			2017				
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 723,461	\$ 150,176	\$ 60,845	\$ 934,482	\$ 729,425	\$ 115,000	\$ 25,500	\$ 869,925
Employee benefits and taxes	106,553	22,577	7,141	136,271	112,031	17,341	1,951	131,323
	830,014	172,753	67,986	1,070,753	841,456	132,341	27,451	1,001,248
Meetings & retreats	108,095	19,971	1,924	129,990	116,270	26,535	- 0 -	142,805
Occupancy expenses	11,839	12,000	- 0 -	23,839	18,418	10,880	- 0 -	29,298
Office supplies, books & equipment	14,719	40,640	- 0 -	55,359	41,923	16,123	- 0 -	58,046
Printing and promotion	17,150	16,870	- 0 -	34,020	22,290	14,820	- 0 -	37,110
Travel & transportation	8,879	5,188	5,188	19,255	11,135	4,940	4,940	21,015
Depreciation and amortization	4,356	1,694	- 0 -	6,050	3,630	1,411	- 0 -	5,041
Telephone & internet	6,422	2,977	- 0 -	9,399	5,635	5,743	- 0 -	11,378
Professional fees	49,490	113,051	84,235	246,776	62,508	101,617	107,890	272,015
Postage & shipping	4,403	604	604	5,611	2,479	878	878	4,235
Miscellaneous	7,062	3,270	- 0 -	10,332	5,754	9,164	- 0 -	14,918
Insurance	- 0 -	18,516	- 0 -	18,516	- 0 -	19,245	- 0 -	19,245
Interest expense	8,271	3,438	- 0 -	11,709	5,076	1,447	- 0 -	6,523
	<u>\$ 1,070,700</u>	<u>\$ 410,972</u>	<u>\$ 159,937</u>	<u>\$ 1,641,609</u>	<u>\$ 1,136,574</u>	<u>\$ 345,144</u>	<u>\$ 141,159</u>	<u>\$ 1,622,877</u>

See accompanying notes to the financial statements

## IGNATIAN LAY VOLUNTEER CORPORATION

Statements of Cash Flows  
For the Years Ended September 30, 2018 and 2017

	2018	2017
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (145,552)	\$ 188,107
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	6,050	5,041
(Increase) decrease in accounts receivable and pledges receivable, net	97,159	(424,188)
Decrease in prepaid expenses	(714)	400
Increase (decrease) in accounts payable and accrued expenses	(29,222)	(11,596)
Increase in deferred revenue	34,124	8,270
	<u>(38,155)</u>	<u>(233,966)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Principal payments on benefactor loans	- 0 -	(50,000)
Principal payments on capital lease	(5,667)	(3,761)
Proceeds from benefactor loan	- 0 -	65,000
Proceeds from line of credit	- 0 -	25,000
Proceeds from term loan	- 0 -	100,000
	<u>(5,667)</u>	<u>136,239</u>
<b>NET DECREASE IN CASH</b>	<b>(43,822)</b>	<b>(97,727)</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>63,139</b>	<b>160,866</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 19,317</b>	<b>\$ 63,139</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Interest paid	\$ 11,709	\$ 6,523
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS:</b>		
Equipment acquired through capital lease	\$ - 0 -	\$ 18,149

See accompanying notes to financial statements



# IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2018 and 2017

## 1. Summary of Significant Accounting Policies

Organization and Nature of Activities - Ignatian Lay Volunteer Corporation (d/b/a Ignatian Volunteer Corps) 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. It is 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 disclosures 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, other assets, payables, and other liabilities. As such, revenues are recognized when earned and expenditures when incurred.

Basis of Presentation - The Organization follows the presentation requirements that all contributions received or made are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

Unrestricted: accounts for net assets without donor imposed restrictions that are available for the support of the Organization.

Temporarily restricted: accounts for net assets that have donor imposed restrictions that permit the Organization to expend the donated assets as specified, and is satisfied either by the passage of time or by actions of the Organization. When the donor restriction expires, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as "net assets released from restrictions."

Permanently restricted: accounts for net assets, which are permanently restricted by the donor. The Organization had no permanently restricted net assets as of September 30, 2018 and 2017.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

# IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2018 and 2017

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

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, 2018 and 2017 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. No allowance for uncollectible accounts for years ended September 30, 2018 and 2017 is provided because management does not deem it necessary based on historical collection experience.

Property and Equipment - Property and equipment are recorded at cost, if purchased, or at fair value at the date of the gift, if donated, less accumulated depreciation. 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.

Revenue Recognition - Contributions received or pledged are recognized as revenues in the period received or promised. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. However, restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

Revenues derived from partnership fees are considered to be available for unrestricted use and are recorded as income during the period earned. Partnership fees are paid by partner entities for placement of volunteers. The Organization requires payment of the partnership fees at or just before the beginning of the period of service. Deferred revenue as of September 30, 2018 and 2017 represents partnership fees billed during 2018 and 2017 for which service will be completed during the next fiscal year. These fees are deferred and recognized as revenue during the period earned.

# IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2018 and 2017

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

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.

Additional 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.

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, 2015.

Advertising Costs – The Organization expenses advertising costs as they are incurred. Advertising expense, reported as part of printing and promotion expense on the statement of functional expenses, was \$11,355 and \$13,236 for the years ended September 30, 2018 and 2017.

## 2. Pledges Receivable

Unconditional promises to give to the Ignite! Campaign are recorded in the financial statements as pledges receivable and revenue when received. Pledges are recorded after being discounted to the anticipated net present value of future cash flows. Uncollectible pledges are expected to be insignificant, therefore, management does not believe that an allowance for uncollectible pledges is necessary.

The pledges are expected to be realized as follows:

	<u>2018</u>	<u>2017</u>
Collectible in less than 1 year	\$ 184,312	\$ 146,620
Collectible in 1 - 5 years	170,305	204,879
	<u>354,617</u>	<u>351,499</u>
Less: 2% discount to net present value	<u>(10,617)</u>	<u>(12,021)</u>
	<u>\$ 344,000</u>	<u>\$ 339,478</u>

## IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2018 and 2017

### 3. Benefactor Loans

Benefactor loans payable at September 30, 2018 and 2017 consisted of the following:

On March 31, 2014, Ignatian Lay Volunteer Corporation entered into an interest free note payable for \$50,000, with a benefactor who was a current Board Member of Ignatian Lay Volunteer Corporation at the time the loan was initiated. The note was not secured. The term of the note included a balloon payment due on September 30, 2014. The note was modified to change the balloon payment to December 31, 2016. During the year ended September 30, 2017, the note was paid in full.

On July 27, 2017, Ignatian Lay Volunteer Corporation entered into an interest free note payable for \$65,000, with a benefactor who was a current Board Member of Ignatian Lay Volunteer Corporation at the time the loan was initiated. The note is not secured. The note was to mature on September 30, 2018. The loan may be repaid in full at any time without penalty. In September 2018, the terms of this loan were changed to due on demand. (See Note 11)

The above notes also include provisions permitting the benefactors, at their discretion, to forgive all or a portion of the notes on the anniversary date of each year, including interest. The Organization has received forgiveness of all interest to date.

Total benefactor loans payable as of September 30, 2018 and 2017 totaled \$65,000 reported as current liabilities.

### 4. Notes Payable

During 2016, the Organization obtained a \$25,000 revolving line of credit with M&T Bank. The line of credit calls for interest at a variable rate starting at 7%. As of September 30, 2018 and 2017, the line has a balance of \$25,000. Subsequent to year end, the Organization obtained another line of credit with another financial institution to replace this existing line (See Note 13).

On June 8, 2017, the Organization signed a \$100,000 Multiple Disbursement Term Loan with M&T Bank. The Bank may advance funds at the Organization's request up to the amount of the Note for the first 18 months of the loan. Interest is fixed at 5.99% and is payable each month for the duration of the Note. Interest only payments will be made for the initial 18 months of the loan. Principal and interest payments will commence after the initial 18 months of the loan. As of September 30, 2018 and 2017 the amount of loan outstanding is \$100,000. This loan was refinanced subsequent to year end with another financial institution (See Note 13).

# IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2018 and 2017

## 4. Notes Payable (continued)

The following is a schedule by years of future minimum payments required under the note payable as of September 30, 2018:

Years ending September 30, 2019	\$ 38,027
2020	<u>69,526</u>
	107,553
Less interest	<u>(7,553)</u>
Total principal payments	<u>\$ 100,000</u>

## 5. Fundraising Events

Fundraising events are recorded net of their related expenses. For the year ended September 30, 2018, gross receipts for events were \$248,526 and related expenses for the year were \$88,124. For the year ended September 30, 2017, gross receipts for events were \$239,963 and related expenses for the year were \$54,522.

## 6. Deferred Revenue

Deferred revenue as of September 30, 2018 and 2017 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, 2018 and 2017 totaled \$572,065 and \$537,941, respectively.

## 7. Temporarily Restricted Net Assets

Temporarily restricted net assets as of September 30, 2017 are to be used for the following purposes:

To launch new region in Scranton, PA	\$ 50,000
To support Buffalo, NY region	15,000
Milwaukee seed funding	<u>10,000</u>
Total temporarily restricted net assets	<u>\$ 75,000</u>

There are no temporarily restricted net assets as of September 30, 2018.

Temporarily restricted net assets of \$75,000 and \$82,000 were released from restriction during the years ended September 30, 2018 and 2017, by satisfying the purpose restrictions imposed by donors.

## 8. Occupancy Expense

The Organization leased office space for its Chicago regional office under a non-cancelable lease through April 30, 2017. Since May 1, 2017, the Chicago regional office has occupied office space donated at no charge to it.

## IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2018 and 2017

### 8. Occupancy Expense (continued)

The Organization leased office space for its National headquarters and Baltimore regional office under a non-cancelable lease which expired June 30, 2016. The Organization continued to lease the space on a month to month basis through December 31, 2016. On January 1, 2017, the Organization entered into a new lease agreement for space at a different 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. The lease provides for the option to renew for one additional year. Future minimum payments under the terms of the lease as of September 30, 2018 are \$3,000

The Organization leased office space for its Northern Virginia regional office under a lease which expired June 30, 2016. The Organization continued to lease the space on a month to month basis through July 31, 2017. On August 1, 2017, the Organization entered into a new lease agreement for space at a different location through July 30, 2018. The lease calls for payments of \$800 a month. The lease provides the option to renew for two additional one-year terms, with a rent increase of 3.5% annually. The lease was renewed for one additional year effective August 1, 2018. Future minimum payments under the renewed lease are \$8,280.

The Organization leased office space for its San Diego regional office under a month to month agreement. The lease called for payments of \$500 a month. This lease was terminated at the end of March 2017. Since April 2017 the San Diego Regional Director has worked from home at no charge to IVC; the San Diego regional office has not incurred any occupancy expense since then.

Total amounts charged to rent expense for the years ended September 30, 2018 and 2017 was \$23,839 and \$29,298, respectively.

### 9. Service Agreement and Equipment Lease

The Organization entered into a 36-month managed IT service agreement effective November 22, 2016 with monthly service fees of \$3,262. Of those fees, \$2,450 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 equipment is \$812. For the years ended September 30, 2018 and 2017, costs associated with this agreement were \$39,145 and \$35,963 and reported as part of office supplies, books and equipment on the statement of functional expenses.

## IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2018 and 2017

### 9. Service Agreement and Equipment Lease (continued)

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

		IT Services	Equipment Lease
Years ending September 30,	2019	\$ 29,405	\$ 9,740
	2020	2,450	812
Total Payments		<u>\$ 31,855</u>	<u>10,552</u>
Less: interest			<u>(1,831)</u>
Total Principal Payments			<u>\$ 8,721</u>
Current portion of principal			<u>\$ 7,931</u>

The cost of equipment capitalized under this lease is \$18,149. As of September 30, 2018 and 2017, depreciation expense was \$6,050 and \$5,041 and accumulated depreciation was \$11,091 and \$5,041 respectively.

### 10. Retirement Plan

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

### 11. 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. Total amount of the original and unpaid principal balance of the Note was \$65,000 as of September 30, 2018 and 2017.

### 12. Concentrations of Credit Risk

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

### 13. Subsequent Events

In October 2018 the Organization entered into an agreement with Hamilton Bank for a \$100,000 line of credit due on demand with a variable interest rate starting at 6.5%. At the same time, they entered into a 36 month term loan for \$100,000 to replace the existing term loan with M&T Bank. The loan calls for monthly payments of principal and interest at 5.63% beginning December 1, 2018.

# IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
September 30, 2018 and 2017

## 13. Subsequent Events (continued)

In preparing their financial statement, the Organization has evaluated subsequent events through February 1, 2019, the date which the financial statements were available to be issued.