

**IGNATIAN LAY VOLUNTEER CORPORATION**

AUDITED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2011 and 2010

# IGNATIAN LAY VOLUNTEER CORPORATION

## CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 8

Weyrich  
Cronin &  
Sorra  
CHARTERED

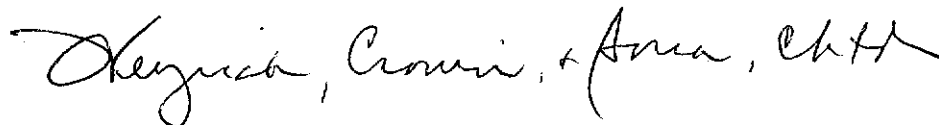
Independent Auditors' Report

Board of Directors  
Ignatian Lay Volunteer Corporation

We have audited the accompanying statement of financial position of Ignatian Lay Volunteer Corporation (a nonprofit organization) as of June 30, 2011, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Ignatian Lay Volunteer Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Ignatian Lay Volunteer Corporation as of June 30, 2010, were audited by Wm. C. Saddler & Co., P.A., who merged with Weyrich, Cronin & Sorra, Chartered on December 31, 2010, and whose report dated October 6, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



January 18, 2012



**IGNATIAN LAY VOLUNTEER CORPORATION**

Statements of Financial Position  
June 30, 2011 and 2010

ASSETS

	<u>2011</u>	<u>2010</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 152,750	\$ 64,352
Accounts receivable	13,750	2,250
Prepaid expenses	7,173	3,988
<b>TOTAL CURRENT ASSETS</b>	<u>173,673</u>	<u>70,590</u>
<b>OTHER ASSETS</b>		
Property and equipment, net of depreciation	122	1,236
Trademark	3,612	3,612
<b>TOTAL OTHER ASSETS</b>	<u>3,734</u>	<u>4,848</u>
<b>TOTAL ASSETS</b>	<u>\$ 177,407</u>	<u>\$ 75,438</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 21,462	\$ 21,406
Deferred revenue	33,567	25,000
<b>TOTAL CURRENT LIABILITIES</b>	<u>55,029</u>	<u>46,406</u>
<b>LONG TERM LIABILITIES</b>		
Benefactor loans payable	100,000	- 0 -
<b>TOTAL LONG TERM LIABILITIES</b>	<u>100,000</u>	<u>- 0 -</u>
<b>TOTAL LIABILITIES</b>	<u>155,029</u>	<u>46,406</u>
<b>NET ASSETS</b>		
Unrestricted	22,378	29,033
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 177,407</u>	<u>\$ 75,438</u>

See accompanying notes to financial statements

**IGNATIAN LAY VOLUNTEER CORPORATION**

Statements of Activities and Changes in Net Assets  
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>UNRESTRICTED NET ASSETS</b>		
<b>UNRESTRICTED SUPPORT AND REVENUE</b>		
<b>FUNDRAISING</b>		
Jesuit Provinces	\$ 126,334	\$ 80,500
Foundations	46,500	102,500
Annual appeal	120,950	131,167
Major gifts	37,000	33,500
Events	107,732	62,406
Board gifts	51,882	84,868
Jesuit Communities	11,150	15,827
Released from restrictions	- 0 -	22,095
<b>TOTAL FUNDRAISING</b>	<u>501,548</u>	<u>532,863</u>
<b>OTHER</b>		
Partnership fees	288,885	219,625
Investment income	174	328
Miscellaneous income	- 0 -	1,589
<b>TOTAL OTHER</b>	<u>289,059</u>	<u>221,542</u>
<b>TOTAL UNRESTRICTED SUPPORT AND REVENUE</b>	<u>790,607</u>	<u>754,405</u>
<b>EXPENSES</b>		
Program services	578,089	539,077
Management and general	114,258	101,269
Fundraising	104,916	122,809
<b>TOTAL EXPENSES</b>	<u>797,262</u>	<u>763,155</u>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<u>(6,655)</u>	<u>(8,750)</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
<b>FUNDRAISING SUPPORT AND REVENUE</b>		
Released from restrictions	- 0 -	(22,095)
<b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b>	<u>- 0 -</u>	<u>(22,095)</u>
<b>CHANGE IN NET ASSETS</b>	<u>(6,655)</u>	<u>(30,845)</u>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>29,033</u>	<u>59,878</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 22,378</u>	<u>\$ 29,033</u>

See accompanying notes to financial statements

**IGNATIAN LAY VOLUNTEER CORPORATION**

Statements of Functional Expenses  
For the Years Ended June 30, 2011 and 2010

	2011				2010			
	Management and General		Fund Raising	Total	Management and General		Fund Raising	Total
	Program Services				Program Services			
Salaries	\$ 386,477	\$ 17,740	\$ 52,134	\$ 456,351	\$ 372,572	\$ 21,083	\$ 76,943	\$ 470,598
Employee benefits and taxes	66,983	3,075	9,036	79,094	66,440	3,760	13,721	83,921
	<u>453,460</u>	<u>20,815</u>	<u>61,170</u>	<u>535,445</u>	<u>439,012</u>	<u>24,843</u>	<u>90,664</u>	<u>554,519</u>
Meetings & retreats	30,427	7,324	- 0 -	37,751	34,630	8,335	- 0 -	42,965
Occupancy expenses	4,504	7,450	- 0 -	11,954	4,938	8,167	- 0 -	13,105
Office supplies, books, & equipment	30,365	3,753	- 0 -	34,118	12,445	1,538	- 0 -	13,983
Printing and promotion	6,979	- 0 -	7,808	14,787	7,907	- 0 -	8,846	16,753
Travel	10,653	3,551	- 0 -	14,204	10,214	3,405	- 0 -	13,619
Depreciation and amortization	1,114	- 0 -	- 0 -	1,114	- 0 -	3,637	- 0 -	3,637
Telephone	10,472	1,858	942	13,272	9,351	1,659	841	11,851
Professional fees	18,907	65,585	33,679	118,171	11,558	40,095	20,588	72,241
Postage	3,950	- 0 -	1,317	5,266	5,610	- 0 -	1,870	7,480
Miscellaneous	1,629	557	- 0 -	2,186	3,412	1,166	- 0 -	4,578
Insurance	5,629	3,365	- 0 -	8,994	- 0 -	8,424	- 0 -	8,424
	<u>\$ 578,089</u>	<u>\$ 114,258</u>	<u>\$ 104,916</u>	<u>\$ 797,262</u>	<u>\$ 539,077</u>	<u>\$ 101,269</u>	<u>\$ 122,809</u>	<u>\$ 763,155</u>

See accompanying notes to the financial statements

**IGNATIAN LAY VOLUNTEER CORPORATION**

Statements of Cash Flows  
For the Years Ended June 30, 2011 and 2010

	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (6,655)	\$ (30,845)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense	1,114	3,637
Decrease (increase) in accounts receivable	(11,500)	7,350
Decrease (increase) in prepaid expenses	(3,185)	(3,088)
Increase (decrease) in accounts payable and accrued expenses	56	(13,362)
Increase in deferred revenue	8,568	25,000
Net cash used in operating activities	<u>(11,602)</u>	<u>(11,308)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from benefactor loans	<u>100,000</u>	<u>- 0 -</u>
Net cash provided by financing activities	<u>100,000</u>	<u>- 0 -</u>
NET INCREASE (DECREASE) IN CASH	88,398	(11,308)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>64,352</u>	<u>75,660</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 152,750</u>	<u>\$ 64,352</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest and income taxes paid during the year	\$ - 0 -	\$ - 0 -

See accompanying notes to financial statements

# IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements

June 30, 2011 and 2010

## 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 organize men and women who are retired or near retirement age who have professional skills and life experience to serve in programs that serve the poor. The Organization is under the jurisdiction of the Maryland Province of the Society of Jesus (Maryland Province). A member of the Provincial staff serves as an ex officio director of the Organization and has sole authority to appoint or remove directors.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation - The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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

Accounts Receivable - Accounts receivable consists of uncollected project administrative fees. No allowance for uncollectible accounts is provided, as management believes all open receivables at year-end to be collectible.

Property and Equipment - Property and equipment acquisitions are recorded at cost. It is the Organization's policy to capitalize expenditures for these items 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. 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. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

Donated Services, Materials and Facilities - No amounts have been reflected in the statements for donated services inasmuch as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of time and materials toward the Organization's operations.



# IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
June 30, 2011 and 2010

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

Tax Status - The Organization is a non-profit corporation organized under the laws of the State of Maryland. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, under a group ruling for all organizations connected with the Roman Catholic Church in the United States. Accordingly, no provision for income tax is included in these financial statements. The Organization is not a private foundation.

## 2. Property and Equipment

Property and equipment at June 30, 2011 and 2010 consist of the following:

	<u>2011</u>	<u>2010</u>
Computer equipment	\$ 16,670	\$ 16,670
Website development costs	<u>24,800</u>	<u>24,800</u>
Subtotal	41,470	41,470
Accumulated depreciation and amortization	<u>(41,348)</u>	<u>(40,234)</u>
Property and Equipment, Net	<u>\$ 122</u>	<u>\$ 1,236</u>

## 3. Long Term Debt

Long-term debt at June 30, 2011 consisted of the following:

Benefactor Loans Payable:

On August 31, 2010, Ignatian Lay Volunteer Corporation entered into two, \$50,000 notes payable with individual benefactors of the Organization, one of which is a current Board Member of Ignatian Lay Volunteer Corporation. These notes are not secured. The terms of each of the loans include a balloon payment due on September 1, 2014. The loans may be repaid at any time without penalty. The stated interest rate on the notes is 4% per annum, also due on September 1, 2014.

These notes also include provisions for the benefactors to forgive a portion of the loans on the anniversary date of each year, including interest. To date, the organization has not received notification from either party that they intend to forgive the loans.

Total benefactor notes payable as of June 30, 2011 totaled \$100,000.

## 4. Fundraising Events

Fundraising events are recorded net of their related expenses. For the years ending June 30, 2011 and 2010, gross receipts for Events were \$144,054 and \$82,694. Related expenses for each of the years were \$36,322 and \$20,288, respectively.

# IGNATIAN LAY VOLUNTEER CORPORATION

Notes to Financial Statements  
June 30, 2011 and 2010

## 5. Deferred Revenue

The Organization has received contributions during the year ended June 30, 2011 in anticipation of two additional regional offices which will become part of Ignatian Lay Volunteer Corporation during the next fiscal year. As these new regions have not officially joined the Organization as of June 30, 2011, revenue has been deferred until the transition is complete. Deferred revenue as of June 30, 2011 totaled \$33,567

Deferred revenue as of June 30, 2010 consisted of contributions earmarked by the donor for operations during the fiscal year ended June 30, 2011. Deferred revenue as of June 30, 2010 totaled \$25,000.

## 6. Temporarily Restricted Net Assets

Net assets released from restriction as of June 30, 2010 totaled \$22,095. Expenses regarding certain personnel expenditures accomplished the purpose restrictions established by the donor during the prior fiscal year.

## 7. Occupancy Expense

The Organization leases office space for its headquarters and Baltimore regional office under a non-cancelable lease expiring June 30, 2012. The lease calls for a base monthly rental of \$700. The future minimum lease payments under this lease at June 30, 2011 are as follows:

2012	\$	8,400
------	----	-------

The Organization leases office space for one regional office under a month-to-month arrangement. Additional space for 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.

## 8. Retirement Plan

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

## 9. Related Party Transactions

As reported in Footnote 4, one of the current Board Members of Ignatian Lay Volunteer Corporation has entered into a note payable with the organization as of August 31, 2010.

## 10. Subsequent Events

In preparing their financial statement, the Organization has evaluated subsequent events through January 18, 2012, the date which the financial statements were available to be issued.