

SUPPORT OUR AGING RELIGIOUS, INC. (SOAR !)

FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT AUDITORS
FOR THE YEAR ENDED JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Support Our Aging Religious, Inc.

We have audited the accompanying financial statements of Support Our Aging Religious, Inc. (SOAR!) (a nonprofit organization) , which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion of these financial statements based on our audit. 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 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.

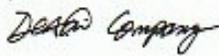
**INDEPENDENT AUDITOR'S REPORT
(SOAR!)**

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Support Our Aging Religious, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedule of functional expenses, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Bowie, Maryland
October 12, 2017

SUPPORT OUR AGING RELIGIOUS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

ASSETS

Current assets

Cash and cash equivalents	\$ 205,535
Investments	1,120,819
Prepaid expenses	<u>1,229</u>
Total current assets	<u>1,327,583</u>

Non current assets

Furniture and equipment	22,674
less: accumulated depreciation	(<u>22,674</u>)
Total non current assets	<u>-</u>

Total assets \$1,327,583

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued expenses	\$ 7,905
Deferred revenue	<u>-</u>
Total current liabilities	<u>7,905</u>

Net assets

Unrestricted	1,252,678
Temporarily restricted	-
Permanently restricted	<u>67,000</u>
Total net assets	<u>1,319,678</u>

Total liabilities and net assets \$1,327,583

- SEE ACCOUNTANT'S NOTES -

SUPPORT OUR AGING RELIGIOUS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and support				
Contributions	\$1,843,021	\$ -	\$ -	\$1,843,021
Foundation grants	37,273			37,273
Combined federal campaign	35,146			35,146
Bequests	424,166			424,166
Event income	493,430			493,430
List rental	12,027			12,027
Unrealized gain on investments	133,753			133,753
Interest	1,311			1,311
Net assets released from restrictions	<u>41,460</u>	<u>(41,460)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>3,021,587</u>	<u>(41,460)</u>	<u>-</u>	<u>2,980,127</u>
Expenses				
Program services	2,408,955			2,408,955
Management and general	82,418			82,418
Fundraising	<u>192,541</u>			<u>192,541</u>
Total expenses	<u>2,683,914</u>	<u>-</u>	<u>-</u>	<u>2,683,914</u>
Change in net assets	337,673	(41,460)	-	296,213
Net assets at beginning of year	<u>915,005</u>	<u>41,460</u>	<u>67,000</u>	<u>1,023,465</u>
Net assets at end of year	<u><u>\$1,252,678</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 67,000</u></u>	<u><u>\$1,319,678</u></u>

- SEE ACCOUNTANT'S NOTES -

SUPPORT OUR AGING RELIGIOUS, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2017

Cash flows from operating activities	
Change in net assets	\$ 296,213
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	2,745
Decrease in prepaid expense	6,976
Increase in accounts payable and accrued expenses	<u>1,866</u>
Total adjustments	<u>11,587</u>
Net cash provided by operating activities	<u>307,800</u>
Cash flows from investing activities	
Increase in long-term investments	(174,685)
Purchase of furniture and equipment	<u>-</u>
Net cash used by investing activities	<u>(174,685)</u>
Net increase in cash and cash equivalents	133,115
Cash and cash equivalents, beginning of year	<u>72,420</u>
Cash and cash equivalents, end of year	<u>\$ 205,535</u>

- SEE ACCOUNTANT'S NOTES -

SUPPORT OUR AGING RELIGIOUS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Note 1. - General information and summary of significant accounting policies

General information

Support Our Aging Religious, Inc. (SOAR!), an initiative of concerned Catholic laity established in 1986, is a national organization of persons who are committed to assuring financially stable and personally secure futures for elderly and frail members of Catholic Religious congregations in the United States of America, augmenting the efforts of the institutional Church. Pursuant to that mission, SOAR! is committed to raising public awareness of the retirement crisis facing men and women religious and in networking concerned laity.

Summary of significant accounting policies

Basis of accounting

SOAR!'s financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and cash equivalents

Cash on hand, deposits in banks, and highly liquid investments with original maturities of three months or less are considered cash and cash equivalents for purposes of these financial statements.

Investments

Investments are carried at fair market value, and realized and unrealized gains and losses are reported in the statement of activities. SOAR!'s investments primarily consist of mutual funds.

Property and equipment

Property and equipment are recorded at cost. Depreciation is recognized over the related assets' estimated useful lives, using the straight-line method. Repairs and maintenance are charged to expense as incurred.

Unrestricted net assets

Unrestricted net assets consist of amounts which are currently available to support SOAR!'s daily operations.

SUPPORT OUR AGING RELIGIOUS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Temporarily restricted net assets

SOAR! reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets

As of June 30, 2017, permanently restricted net assets represented contributions of \$67,000 which is intended to assist in providing an annual grant in the name of Father Victor Yanitelli. These funds held for endowment are to be held in perpetuity with the intention that only the related appreciation may provide the support for program activities as identified by the donor.

Revenue recognition

Revenue is recognized during the period in which it is earned. Contributions are recognized in accordance with the provisions of Financial Accounting Standards Board Statement No. 116.

Expenses

Expenses are recognized by SOAR! during the period in which they are incurred. Expenses paid in advance and not yet incurred are deferred to the applicable period.

Functional allocation of expenses

The costs of SOAR!'s various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, supporting general and administrative costs have been allocated among the programs and supporting services benefitted.

Subsequent events

Subsequent events have been considered through October 12, 2017.

SUPPORT OUR AGING RELIGIOUS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Financial Instruments

Financial instruments which potentially subject SOAR! to concentrations of credit risk consist primarily of cash deposits and long-term investments maintained at credit worthy financial institutions.

Accounting standards use the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1 - Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes;

Level 2 - Includes inputs other than level 1 that are directly or indirectly observable in the marketplace such as yield curves or other market data;

Level 3 - Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk such as bid/ask spreads and liquidity discounts.

Investments recorded at fair value, consist of the following at June 30, 2017 :

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ <u>1,120,819</u>	\$ <u>1,120,819</u>	\$ <u> -</u>	\$ <u> -</u>

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. Actual results could differ from estimates.

Income tax status

SOAR! is exempt from federal income taxes on income other than unrelated business income under Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the District of Columbia. SOAR! had no unrelated business income during the year ended June 30, 2017.

SUPPORT OUR AGING RELIGIOUS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Income tax status (continued)

In addition, as SOAR!, and among other conditions as required by the IRC, is covered by an exemption letter issued to the United States Conference of Catholic Bishops and appears in the 2011 Official Catholic Directory, management believes that it has complied with the requirements which exempt SOAR! from annual reporting of Form 990, Return of Organization Exempt from Income Tax.

Note 2. - Unrestricted net assets

As of June 30, 2017, unrestricted net assets comprised of the following:

Unrestricted general	\$ 730,618
Unrestricted Burgess Trust Endowment	<u>522,060</u>
Total unrestricted net assets	<u>\$1,252,678</u>

Note 3. - Temporarily restricted net assets

As of June 30, 2017, there were no temporarily restricted net assets.

Note 4. - Pension plan

SOAR! provides a tax-qualified employee benefit plan covering substantially all of its employees subject to certain eligibility requirements pursuant to Section 403(b)(7) of the Internal Revenue Code(IRC). SOAR! contributions to the plan are provided in accordance with contribution percentages based upon compensation of eligible employees and years of service and range from 2 percent through 10 percent of compensation. For the year ended June 30, 2017, pension expense was \$22,997.

Supplementary Information

SUPPORT OUR AGING RELIGIOUS, INC.
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	Total	Program services	Management and general	Fundraising
Salaries	\$ 398,404	\$ 340,635	\$ 33,466	\$ 24,303
Payroll taxes	20,404	17,445	1,714	1,245
Employee benefits	68,629	58,678	5,765	4,186
Advertising	40,307	40,307	-	-
Bank charges	14,243	12,178	1,196	869
Congregation grants	1,171,304	1,171,304	-	-
Contracted services	55,179	22,868	-	32,311
Contributions	16,463	16,463	-	-
Depreciation	2,745	2,347	231	167
Dues and subscriptions	3,485	2,979	293	213
Equipment	7,423	6,346	624	453
Event facilities and catering	85,173	63,880	-	21,293
Information technology	43,490	37,184	3,653	2,653
Insurance	4,775	4,084	400	291
Legal and professional services	128,758	119,673	9,085	-
List rental	54,323	52,386	1,937	-
Occupancy	33,697	28,811	2,831	2,055
Office supplies	4,008	3,427	337	244
Postage	170,374	127,781	5,111	37,482
Printing	268,998	201,748	8,070	59,180
Staff training	4,326	3,699	363	264
Telephone	7,119	6,087	598	434
Travel	80,287	68,645	6,744	4,898
 Totals	 \$ 2,683,914	 \$ 2,408,955	 \$ 82,418	 \$ 192,541