

SUPPORT OUR AGING RELIGIOUS, INC. (SOAR !)

FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT AUDITORS
FOR THE YEAR ENDED JUNE 30, 2020

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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, 2020, and the related statements of activities and cash flows for the year then ended, the statement of functional expenses for the year ended June 30, 2020, 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 on 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, 2020, 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

As described in Note 1 to the financial statements, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. As required by the FASB, Support Our Aging Religious, Inc. adopted the provisions of ASU 2016-14 during the year ended June 30, 2020. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources and schedule of functional expenses. Our opinion is not modified with respect to this matter.

Debra Company

Bowie, Maryland
October 27, 2020

SUPPORT OUR AGING RELIGIOUS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS

Current assets

Cash and cash equivalents	\$ 697,612
Investments	1,686,284
Prepaid expenses	<u> -</u>
Total current assets	<u>2,383,896</u>

Non current assets

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

Total assets \$2,383,896

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued expenses	\$ 15,061
Loan payable	<u>112,200</u>
Total current liabilities	<u>127,261</u>

Net assets

Without donor restrictions	
Undesignated	1,420,684
Burgess Trust Endowment	<u>768,951</u>
	2,189,635

With donor restrictions 67,000

Total net assets 2,256,635

Total liabilities and net assets \$2,383,896

- SEE ACCOUNTANT'S NOTES -

SUPPORT OUR AGING RELIGIOUS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions	\$2,081,718	\$ -	\$2,081,718
Foundation grants	655,000		655,000
Combined federal campaign	32,013		32,013
Bequests	662,822		662,822
Event income	414,664		414,664
List rental	19,024		19,024
Unrealized loss on investments	(111,799)		(111,799)
Interest	212		212
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>3,753,654</u>	<u>-</u>	<u>3,753,654</u>
Expenses			
Program services	2,802,354		2,802,354
Supporting services			
Management and general	69,401		69,401
Fundraising	<u>180,886</u>		<u>180,886</u>
Total supporting services	<u>250,287</u>	<u>-</u>	<u>250,287</u>
Total expenses	<u>3,052,641</u>	<u>-</u>	<u>3,052,641</u>
Change in net assets	701,013	-	701,013
Net assets at beginning of year	<u>1,488,622</u>	<u>67,000</u>	<u>1,555,622</u>
Net assets at end of year	<u>\$2,189,635</u>	<u>\$ 67,000</u>	<u>\$2,256,635</u>

- SEE ACCOUNTANT'S NOTES -

SUPPORT OUR AGING RELIGIOUS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Total	Program services	Management and general	Fundraising
Salaries	\$ 415,445	\$ 370,992	\$ 27,004	\$ 17,449
Payroll taxes	21,068	18,814	1,369	885
Employee benefits	68,873	61,504	4,477	2,892
Advertising	11,164	11,164	-	-
Bank charges	10,664	9,523	693	448
Congregation grants	1,451,765	1,451,765	-	-
Contracted services	69,605	26,128	-	43,477
Conferences	15,534	15,534	-	-
Dues and subscriptions	3,444	3,075	224	145
Equipment	7,901	7,073	515	313
Event facilities and catering	108,075	81,056	-	27,019
Information technology	39,239	35,040	2,551	1,648
Insurance	5,166	4,613	336	217
Legal and professional	49,640	38,906	10,734	-
List rental	77,983	76,553	1,430	-
Occupancy	39,086	34,903	2,541	1,642
Office supplies	3,940	3,520	255	165
Postage	201,332	161,066	6,040	34,228
Printing	286,184	228,947	8,586	48,651
Regional representatives	125,833	125,833	-	-
Staff training	9,200	8,216	598	386
Telephone	6,856	6,122	446	288
Travel	24,644	22,007	1,602	1,035
Totals	\$ 3,052,641	\$ 2,802,354	\$ 69,401	\$ 180,886

- SEE ACCOUNTANT'S NOTES -

SUPPORT OUR AGING RELIGIOUS, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020

Cash flows from operating activities	
Change in net assets	\$ 701,013
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Decrease in prepaid expense	
Increase in loan payable	112,200
Decrease in accounts payable and accrued expenses	<u>(4,830)</u>
Total adjustments	<u>107,370</u>
Net cash provided by operating activities	<u>808,383</u>
Cash flows from investing activities	
Increase in long-term investments	(396,471)
Purchase of furniture and equipment	<u>-</u>
Net cash used by investing activities	<u>(396,471)</u>
Net increase in cash and cash equivalents	411,912
Cash and cash equivalents, beginning of year	<u>285,700</u>
Cash and cash equivalents, end of year	\$ <u><u>697,612</u></u>

- SEE ACCOUNTANT'S NOTES -

SUPPORT OUR AGING RELIGIOUS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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.

SUPPORT OUR AGING RELIGIOUS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Net assets

For financial statement purposes, net assets are classified as follows:

Without donor restrictions

Represents the portion of net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

With donor restrictions

Represents the portion of net assets whose use by SOAR! has been restricted by donors with specified time or purpose limitations.

As of June 30, 2020 net assets with donor restrictions 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 27, 2020.

SUPPORT OUR AGING RELIGIOUS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

New accounting principle

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). SOAR! adopted the provisions of ASU 2016-14 during the year ended June 30, 2020. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources and schedule of functional expenses.

Liquidity

Support Our Aging Religious, Inc. invests cash balances in excess of immediate liquidity needs in accordance with its investment policy. The following provides a summary of financial assets available for general expenditures at June 30, 2020:

Cash and cash equivalents	\$ 697,612
Investments	<u>1,686,284</u>
Subtotal financial assets	2,383,896
Amounts not available within one year	
Net assets with donor restrictions	<u>(67,000)</u>
Financial assets available to meet cash needs for general expenditures within on year	\$ <u>2,316,896</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, 2020.

SUPPORT OUR AGING RELIGIOUS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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. - 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, 2020, pension expense was \$25,649.