



INNER-CITY SCHOLARSHIP FUND, INC.

Financial Statements and Schedules

August 31, 2011 and 2010

(With Independent Auditors' Report Thereon)



KPMG LLP
345 Park Avenue
New York, NY 10154

Independent Auditors' Report

The Board of Trustees
Inner-City Scholarship Fund, Inc.:

We have audited the accompanying balance sheet of Inner-City Scholarship Fund, Inc. (ICSF) as of August 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of ICSF's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from ICSF's 2010 financial statements and, in our report dated February 14, 2011, we expressed an unqualified opinion on those financial 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ICSF's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Inner-City Scholarship Fund, Inc. as of August 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

February 16, 2012

INNER-CITY SCHOLARSHIP FUND, INC.

Balance Sheet

August 31, 2011

(with comparative financial information as of August 31, 2010)

Assets	2011	2010
Cash and cash equivalents	\$ 2,115,971	1,616,349
Loans to Parish Assistance Corporation (note 3)	2,348,698	2,248,698
Accrued interest receivable	39,223	38,388
Contributions receivable, net (note 5)	3,402,012	3,782,498
Investments (note 4)	8,472,134	5,620,558
Gift annuity held by the Archdiocese of New York, net	130,502	131,236
Fixed assets, net of accumulated depreciation of \$2,850	54,150	57,000
Other assets	25,324	36,790
Total assets	\$ 16,588,014	13,531,517
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 64,272	131,634
Payable to the Archdiocese of New York (note 6)	117,844	106,061
Financial aid grants due to individual schools	104,413	59,532
Total liabilities	286,529	297,227
Net assets (note 8):		
Unrestricted	3,791,643	2,466,928
Temporarily restricted	6,677,842	4,935,362
Permanently restricted	5,832,000	5,832,000
Total net assets	16,301,485	13,234,290
Total liabilities and net assets	\$ 16,588,014	13,531,517

See accompanying notes to financial statements.

INNER-CITY SCHOLARSHIP FUND, INC.

Statement of Activities

Year ended August 31, 2011

(with summarized financial information for the year ended August 31, 2010)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>2011 total</u>	<u>2010 total</u>
Revenues:					
Contributions and bequests (note 5)	\$ 3,485,045	11,277,257	—	14,762,302	12,458,184
Special events, net of direct donor benefits of \$493,966 and \$468,534 in 2011 and 2010, respectively	2,190,295	—	—	2,190,295	2,487,753
Interest and dividend income	104,572	410,057	—	514,629	232,422
Net (loss) gain on investments	(14,030)	47,350	—	33,320	266,360
Other income	10,049	—	—	10,049	—
Net assets released from restrictions	10,545,073	(10,545,073)	—	—	—
Total revenues	<u>16,321,004</u>	<u>1,189,591</u>	<u>—</u>	<u>17,510,595</u>	<u>15,444,719</u>
Expenses (note 6):					
Program services:					
Grants and allocations:					
Cardinal's Scholarship Program administered by the Children's Scholarship Fund	6,628,762	—	—	6,628,762	6,767,938
Be A Student's Friend grants	4,245,842	—	—	4,245,842	3,905,073
Financial aid grants	871,372	—	—	871,372	1,052,796
Other grants	224,848	—	—	224,848	204,616
Program administration:					
Be A Student's Friend program	331,704	—	—	331,704	328,821
Other	40,745	—	—	40,745	38,308
Total program services	<u>12,343,273</u>	<u>—</u>	<u>—</u>	<u>12,343,273</u>	<u>12,297,552</u>
Supporting services:					
General and administrative	730,393	—	—	730,393	695,627
Development	1,369,734	—	—	1,369,734	1,196,648
Total supporting services	<u>2,100,127</u>	<u>—</u>	<u>—</u>	<u>2,100,127</u>	<u>1,892,275</u>
Total expenses	<u>14,443,400</u>	<u>—</u>	<u>—</u>	<u>14,443,400</u>	<u>14,189,827</u>
Increase in net assets before reclassification due to adoption of ASC 958-205	1,877,604	1,189,591	—	3,067,195	1,254,892
Reclassification due to adoption of ASC 958-205	<u>(552,889)</u>	<u>552,889</u>	<u>—</u>	<u>—</u>	<u>—</u>
Increase in net assets	1,324,715	1,742,480	—	3,067,195	1,254,892
Net assets at beginning of year	2,466,928	4,935,362	5,832,000	13,234,290	11,979,398
Net assets at end of year	\$ <u>3,791,643</u>	<u>6,677,842</u>	<u>5,832,000</u>	<u>16,301,485</u>	<u>13,234,290</u>

See accompanying notes to financial statements.

INNER-CITY SCHOLARSHIP FUND, INC.

Statement of Cash Flows

Year ended August 31, 2011

(with comparative financial information for the year ended August 31, 2010)

	2011	2010
Cash flows from operating activities:		
Increase in net assets	\$ 3,067,195	1,254,892
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Permanently restricted contributions	—	(250,000)
Net gain on investments	(33,320)	(266,360)
Depreciation	2,850	—
Changes in operating assets and liabilities:		
Accrued interest receivable	(835)	(9)
Contributions receivable	(483,396)	497,310
Gift annuity held by the Archdiocese of New York	734	(378)
Other assets	11,466	(9,680)
Accounts payable and accrued expenses	(67,362)	(44,928)
Deferred revenue	—	(34,700)
Payable to the Archdiocese of New York	11,783	(128,811)
Financial aid grants due to individual schools	44,881	(113,572)
Net cash provided by operating activities	2,553,996	903,764
Cash flows from investing activities:		
(Increase) decrease in loans to Parish Assistance Corporation	(100,000)	2,607,140
Purchase of fixed assets	—	(57,000)
Purchase of investments	(4,581,522)	(4,395,128)
Proceeds from sale of investments	1,763,266	112,543
Net cash used in investing activities	(2,918,256)	(1,732,445)
Cash flows from financing activities:		
Permanently restricted contributions	—	250,000
Decrease in contributions receivable restricted for endowment	863,882	854,071
Net cash provided by financing activities	863,882	1,104,071
Net increase in cash and cash equivalents	499,622	275,390
Cash and cash equivalents at beginning of year	1,616,349	1,340,959
Cash and cash equivalents at end of year	\$ 2,115,971	1,616,349

See accompanying notes to financial statements.

INNER-CITY SCHOLARSHIP FUND, INC.

Notes to Financial Statements

August 31, 2011 and 2010

(1) Organization

Inner-City Scholarship Fund, Inc. (ICSF) is a not-for-profit organization exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. ICSF's objective is to obtain funds for the benefit of students in attendance at Catholic schools within the Roman Catholic Archdiocese of New York.

Since the 2005 – 2006 academic year, ICSF has participated with The Partnership for Inner-City Education (formerly, the Endowment for Inner-City Education) and the Children's Scholarship Fund to underwrite the Cardinal's Scholarship Program. Administered by the Children's Scholarship Fund, an unaffiliated not-for-profit organization, the program was established to address the decline in enrollment at Catholic schools. The program has each of the three organizations sharing in the cost of scholarships awarded to public school students who transfer to Archdiocese of New York Catholic inner-city elementary schools. As each family awarded a scholarship must qualify for continued support annually, no liability has been reflected in the financial statements for ICSF's commitment to share in the on-going cost associated with children who continue to qualify for the scholarship in the future.

The Be A Student's Friend (BASF) program matches a willing sponsor with a low-income student. BASF supporters can opt to be anonymous and receive periodic reports on a student's progress or they can choose to get to know the student personally.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables and payables. Other significant accounting policies are set forth below.

(b) Basis of Presentation

ICSF's net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ICSF and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of ICSF or by the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by ICSF. Generally, the donors of these assets permit ICSF to use all or part of the income earned on related investments to support financial aid grants.

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation. Expirations of temporary restrictions on net assets

INNER-CITY SCHOLARSHIP FUND, INC.

Notes to Financial Statements

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(i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

(c) Cash and Cash Equivalents

ICSF considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents except for those short-term instruments, if any, maintained in the Archdiocesan Common Investment Fund (see note 4).

(d) Contributions

Contributions, including unconditional promises to give, are recognized when received. Unconditional promises are recorded net of an allowance for amounts deemed uncollectible and a present value discount.

(e) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Inputs to the valuation techniques used to measure fair value are prioritized by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1 – valuation inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that ICSF has the ability to access at measurement date.

Level 2 – valuation inputs are inputs other than quoted prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities.

Level 3 – valuation inputs are unobservable inputs for the assets or liabilities.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

(f) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

INNER-CITY SCHOLARSHIP FUND, INC.

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August 31, 2011 and 2010

(g) Comparative Financial Information

The accompanying statement of activities is presented with 2010 comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with ICSF's 2010 financial statements, from which the summarized information was derived.

(h) Reclassifications

Certain 2010 amounts have been reclassified to conform to the 2011 presentation.

(3) Loans to Parish Assistance Corporation

Amounts loaned to Parish Assistance Corporation earned interest at a rate of 3.34% during fiscal years 2011 and 2010. Interest income approximated \$78,000 and \$125,000 in 2011 and 2010, respectively. The carrying amount approximates fair value.

(4) Investments

Investments are reported at fair value with realized and unrealized gains and losses included in the statement of activities.

Investments at August 31, 2011 and 2010 consist of the following:

	<u>2011</u>	<u>2010</u>
PIMCO All Asset fund	\$ 8,117,788	4,524,231
Archdiocesan Common Investment Fund (the Fund)	354,346	1,096,327
	<u>\$ 8,472,134</u>	<u>5,620,558</u>

The PIMCO All Asset fund invests all of its assets in other PIMCO funds and seeks maximum real return, consistent with preservation of real capital. Fair value is based on quoted market price and is classified as Level 1 in the fair value hierarchy.

INNER-CITY SCHOLARSHIP FUND, INC.

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August 31, 2011 and 2010

ICSF participates with other Archdiocesan entities in the Fund, which allows for additions and redemptions monthly. The Fund is invested in structured fixed income and equity portfolios managed by the Bank of New York Mellon and designed to replicate the Barclays Aggregate Bond Index and the S&P 500 Index, respectively, of which the underlying investments are screened for the Archdiocesan Socially Responsible Investing Policy, and valued by the Fund based on the value of its underlying investments. Investment income and net gains or losses on sales of securities and unrealized appreciation or depreciation in fair value of investments are credited monthly to ICSF's account based on its pro rata participation in the Fund. The Fund's total investments, which are classified as Level 1 in the fair value hierarchy, at August 31, 2011 and 2010 are summarized as follows:

	2011	2010
Cash equivalents	\$ 7,818,388	4,485,797
Fixed-income securities	49,773,434	50,403,969
Equity securities	74,057,102	54,947,837
	\$ 131,648,924	109,837,603

At August 31, 2011 and 2010, ICSF's investment in the Fund was allocated as follows:

	2011	2010
Cash equivalents	\$ 26,419	802,711
Fixed-income securities	155,095	151,361
Equity securities	172,832	142,255
	\$ 354,346	1,096,327

(5) Contributions Receivable

Contributions receivable consist of the following at August 31, 2011 and 2010:

	2011	2010
Amounts expected to be collected in:		
Less than one year	\$ 1,673,451	1,669,554
One to five years	2,000,000	2,027,200
More than five years	—	500,000
	3,673,451	4,196,754
Less allowance for uncollectible amounts	—	(13,315)
Less discount at rates ranging from 5.00% to 5.75%	(271,439)	(400,941)
	\$ 3,402,012	3,782,498

At August 31, 2011 and 2010, the amounts receivable from two donors represent approximately 95% and 92% of the gross receivable, respectively.

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Notes to Financial Statements

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During 2007, ICSF received a grant not to exceed \$22,500,000, which is providing funding for scholarships to students demonstrating financial need in accordance with the guidelines of the Cardinal's Scholarship Program. The grant is expected to be received through August 31, 2013. As the receipt of future amounts is conditional, revenue is recognized as conditions are met. Through August 31, 2011, approximately \$17.8 million has been received and recognized as revenue, including approximately \$4.6 million and \$4.9 million in fiscal 2011 and 2010, respectively.

(6) Payable to the Archdiocese of New York

The payable to the Archdiocese of New York represents amounts due for items such as salaries, benefits, rent, data services, and other allocated services. The amounts charged for such services approximated \$1,308,000 and \$1,213,000 in 2011 and 2010, respectively.

(7) Pension Plan

ICSF employees who satisfy age and service requirements participate in a noncontributory defined benefit Archdiocesan Pension Plan. Total pension expense was \$38,077 and \$29,106 in 2011 and 2010, respectively. Information as to vested and nonvested earned benefits, as well as plan assets, as they relate to ICSF employees, is not readily available. It is ICSF's policy to provide for all pension costs currently.

(8) Net Assets

Temporarily restricted net assets at August 31, 2011 and 2010 are available for the following purposes:

	<u>2011</u>	<u>2010</u>
Cardinal's Scholarship Program	\$ 2,228,561	2,600,914
Be A Student's Friend grants and program	2,408,478	1,363,672
Financial aid for schools	1,910,302	839,540
Gift annuities held by Archdiocese of New York for the benefit of ICSF	130,501	131,236
	<u>\$ 6,677,842</u>	<u>4,935,362</u>

Permanently restricted net assets at August 31, 2011 and 2010 are restricted as follows:

Be A Student's Friend grants and program	\$ 5,461,000
Financial aid for schools	371,000
	<u>\$ 5,832,000</u>

INNER-CITY SCHOLARSHIP FUND, INC.

Notes to Financial Statements

August 31, 2011 and 2010

(9) Endowment

ICSF's endowment consists of eight donor-restricted funds and two board-designated funds, and its composition by net asset category as of August 31, 2011 and 2010, exclusive of contributions receivable, is as follows:

		2011			
		Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted	\$	—	751,799	5,832,000	6,583,799
Board-designated		—	376,373	—	376,373
	\$	—	1,128,172	5,832,000	6,960,172

		2010			
		Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted	\$	549,195	—	4,968,118	5,517,313
Board-designated		—	357,432	—	357,432
	\$	549,195	357,432	4,968,118	5,874,745

Changes in endowment net assets for the years ended August 31, 2011 and 2010 are as follows:

		2011			
		Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, August 31, 2010	\$	549,195	357,432	4,968,118	5,874,745
Reclassification due to adoption of ASC 958-205		(552,889)	552,889	—	—
Pledge collections		—	—	863,882	863,882
Appropriation for expenditure		—	(199,715)	—	(199,715)
Interest and dividend income		—	370,218	—	370,218
Net gain on investments		3,694	47,348	—	51,042
Endowment net assets, August 31, 2011	\$	—	1,128,172	5,832,000	6,960,172

INNER-CITY SCHOLARSHIP FUND, INC.

Notes to Financial Statements

August 31, 2011 and 2010

	2010			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Endowment net assets, August 31, 2009	\$ 233,312	341,424	3,864,047	4,438,783
Contributions and pledge collections	—	4,460	1,104,071	1,108,531
Appropriation for expenditure	(87,498)	—	—	(87,498)
Interest and dividend income	—	148,569	—	148,569
Net gain on investments	4,026	262,334	—	266,360
Net assets released from restriction	399,355	(399,355)	—	—
Endowment net assets, August 31, 2010	\$ 549,195	357,432	4,968,118	5,874,745

In September 2010, the State of New York enacted, effective immediately, its version of the Uniform Prudent Management of Institutional Funds Act (NYPMIFA), the provisions of which apply to funds existing on or established after that date. ICSF has interpreted NYPMIFA as allowing it to appropriate for expenditure or accumulate so much of the donor-restricted endowment fund as is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument absent explicit donor stipulations to the contrary. As a result of this interpretation, the Archdiocese has not changed the way permanently restricted net assets are classified. Accounting guidance associated with the enactment of NYPMIFA as set forth in ASC 958, Section 205-45, *Classification of Donor-Restricted Endowment Funds Subject to UPMIFA*, requires the portion of a donor-restricted endowment fund that is not classified as permanently restricted to be classified as temporarily restricted net assets until appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA. The adoption of the ASC's guidance resulted in a reclassification from unrestricted to temporarily restricted net assets of \$552,889 in fiscal 2011.

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the fund's historic dollar value. Deficiencies of this nature are reported in unrestricted net assets and totaled \$3,694 as of August 31, 2010.

The endowment portfolio seeks maximum real return, consistent with preservation of real capital.

Generally, spending should not exceed 5% of a fund's value at the beginning of the fiscal year. Each year, ICSF will determine whether this guideline requires adjustment, recognizing that growing the endowment (preservation of purchasing power) is an ICSF priority. For 2011 and 2010, the board of trustees approved a 4.5% spending rate on endowed funds.

INNER-CITY SCHOLARSHIP FUND, INC.

Notes to Financial Statements

August 31, 2011 and 2010

(10) Subsequent Events

In connection with the preparation of the financial statements, ICSF evaluated subsequent events after the balance sheet date of August 31, 2011 through February 16, 2012, which was the date the financial statements were available to be issued and has concluded that there are no subsequent events for disclosure.

INNER-CITY SCHOLARSHIP FUND, INC.

Schedule of Financial Aid and Be A Student's Friend Grants

Year ended August 31, 2011

	<u>Total</u>	<u>Financial aid grants</u>	<u>Be A Student's Friend grants</u>
Manhattan Elementary Grants:			
All Saints	\$ 27,000	20,000	7,000
Annunciation	28,400	4,400	24,000
Ascension	52,900	8,400	44,500
Blessed Sacrament	22,450	1,350	21,100
Corpus Christi	25,000	—	25,000
Good Shepherd	16,000	—	16,000
Guardian Angel	37,000	—	37,000
Holy Cross	12,000	—	12,000
Holy Name of Jesus	25,000	—	25,000
Mt. Carmel/Holy Rosary	52,500	3,000	49,500
Immaculate Conception	30,000	—	30,000
Incarnation	62,000	—	62,000
Our Lady of Lourdes	40,500	8,500	32,000
Our Lady of Pompeii	12,000	—	12,000
Our Lady of Sorrows	22,000	—	22,000
Our Lady Queen of Angels	25,000	3,000	22,000
Our Lady Queen of Martyrs	29,000	—	29,000
Sacred Heart of Jesus	34,000	2,000	32,000
St. Aloysius	26,915	915	26,000
St. Ann	53,488	5,500	47,988
St. Brigid	23,999	1,999	22,000
St. Charles Borromeo	14,000	—	14,000
St. Elizabeth	66,800	24,800	42,000
St. Gregory the Great	20,000	2,000	18,000
St. Joseph – 87th St.	8,000	—	8,000
St. James and Joseph – Monroe	26,000	2,000	24,000
St. Joseph of the Holy Family – Morningside	17,000	9,000	8,000
St. Jude	25,100	—	25,100
St. Mark the Evangelist	12,000	—	12,000
St. Paul – 118th Street	32,000	—	32,000
St. Rose of Lima	20,871	871	20,000
St. Stephen of Hungary	22,500	1,500	21,000
Transfiguration	21,000	—	21,000
Total Manhattan Elementary Grants	<u>942,423</u>	<u>99,235</u>	<u>843,188</u>
Bronx Elementary Grants:			
Blessed Sacrament	16,000	—	16,000
Christ the King	62,436	2,436	60,000
Holy Cross	19,000	—	19,000
Holy Family	16,000	—	16,000
Holy Rosary	8,000	—	8,000
Holy Spirit	37,500	1,500	36,000
Immaculate Conception – 151st Street	63,078	21,078	42,000
Immaculate Conception – Gunhill	34,075	2,075	32,000

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Schedule of Financial Aid and Be A Student's Friend Grants

Year ended August 31, 2011

	<u>Total</u>	<u>Financial aid grants</u>	<u>Be A Student's Friend grants</u>
Nativity of Our Blessed Lady	\$ 10,000	—	10,000
Our Lady of Angels	20,000	—	20,000
Our Lady of Grace	24,000	—	24,000
Our Lady of Mercy	37,000	—	37,000
Our Lady of Mt. Carmel	5,000	—	5,000
Our Lady of Refuge	6,000	—	6,000
Sacred Heart	40,000	—	40,000
St. Angela Merici	52,000	6,000	46,000
St. Ann	14,000	—	14,000
St. Anselm	42,000	20,000	22,000
St. Anthony – Mansion St.	9,480	3,480	6,000
St. Athanasius	58,840	20,840	38,000
St. Augustine	18,000	—	18,000
St. Barnabas	2,000	2,000	—
St. Brendan	44,268	22,268	22,000
St. Dominic	8,000	—	8,000
St. Anthony/St. Francis of Rome	8,000	—	8,000
St. Helena	37,000	—	37,000
St. Jerome	54,000	20,000	34,000
St. John	16,000	—	16,000
St. John Chrysostom	82,220	49,220	33,000
St. John Vianney	22,000	—	22,000
St. Joseph	45,040	5,040	40,000
St. Lucy	6,000	—	6,000
St. Luke	38,500	21,500	17,000
St. Margaret of Cortona	900	900	—
St. Margaret Mary	28,000	1,000	27,000
St. Martin of Tours	14,000	—	14,000
St. Mary	11,000	—	11,000
St. Mary Star of the Sea	14,000	—	14,000
St. Nicholas of Tolentine	28,000	—	28,000
Sts. Peter and Paul	129,200	76,200	53,000
Sts. Philip and James	8,000	—	8,000
St. Philip Neri	20,000	—	20,000
St. Raymond	32,000	—	32,000
St. Simon Stock	32,000	—	32,000
St. Thomas Aquinas	18,000	—	18,000
Santa Maria	43,655	31,655	12,000
St. Francis of Assisi School	15,410	1,410	14,000
Visitation School	48,000	—	48,000
	<u>1,397,602</u>	<u>308,602</u>	<u>1,089,000</u>
Total Bronx Elementary Grants			
Staten Island Elementary Grants:			
Blessed Sacrament	18,750	18,750	—
Immaculate Conception	26,900	900	26,000

INNER-CITY SCHOLARSHIP FUND, INC.

Schedule of Financial Aid and Be A Student's Friend Grants

Year ended August 31, 2011

	Total	Financial aid grants	Be A Student's Friend grants
Our Lady of Mt. Carmel/St. Benedicta	\$ 12,712	2,327	10,385
St. Mary	10,500	2,500	8,000
St. Peter's	21,050	5,050	16,000
St. Sylvester	14,290	2,290	12,000
Total Staten Island Elementary Grants	<u>104,202</u>	<u>31,817</u>	<u>72,385</u>
Dutchess County Elementary Grants:			
Regina Coeli	6,800	6,800	—
Total Dutchess County Elementary Grants	<u>6,800</u>	<u>6,800</u>	<u>—</u>
Orange County Elementary Grants			
Most Precious Blood	17,920	17,920	—
Total Orange County Elementary Grants	<u>17,920</u>	<u>17,920</u>	<u>—</u>
Rockland County Elementary Grants			
St. Peter	40,000	40,000	—
Total Rockland County Elementary Grants	<u>40,000</u>	<u>40,000</u>	<u>—</u>
Westchester County Elementary Grants:			
Corpus Christi/Holy Rosary – Portchester	18,500	18,500	—
Our Lady of the Assumption	16,500	16,500	—
Our Lady of Mount Carmel	16,665	16,665	—
Our Lady of Victory	25,159	25,159	—
Sacred Heart	27,046	27,046	—
Sacred Heart School for the Arts	18,500	16,500	2,000
St. Ann	16,500	16,500	—
St. Casimir	35,900	35,900	—
St. Paul the Apostle	2,000	—	2,000
St. Peter's School	47,359	45,359	2,000
St. Mary's School	17,500	17,500	—
Total Westchester County Elementary Grants	<u>241,629</u>	<u>235,629</u>	<u>6,000</u>
Total Elementary Grants	<u>2,750,576</u>	<u>740,003</u>	<u>2,010,573</u>
Manhattan Secondary Grants:			
Cathedral High School	201,875	1,800	200,075
Mother Cabrini	95,688	7,000	88,688
Notre Dame	129,665	—	129,665
Rice High School	31,758	7,758	24,000
St. Agnes Boys High School	78,800	4,700	74,100
St. Jean Baptiste	141,390	4,075	137,315
La Salle Academy	73,350	—	73,350
St. Vicent Ferrer High School	40,860	—	40,860
Xavier High School	2,200	—	2,200
Total Manhattan Secondary Grants	<u>795,586</u>	<u>25,333</u>	<u>770,253</u>

INNER-CITY SCHOLARSHIP FUND, INC.

Schedule of Financial Aid and Be A Student's Friend Grants

Year ended August 31, 2011

	<u>Total</u>	<u>Financial aid grants</u>	<u>Be A Student's Friend grants</u>
Staten Island Secondary Grants:			
St. Peter's High School for Boys	\$ 18,680	—	18,680
St. Peter's High School for Girls	13,900	—	13,900
Total Staten Island Secondary Grants	<u>32,580</u>	<u>—</u>	<u>32,580</u>
Bronx Secondary Grants:			
Academy of Mount St. Ursula	97,074	4,000	93,074
All Hallows	206,941	24,287	182,654
Aquinas High School	264,524	30,424	234,100
Cardinal Hayes High School	190,305	3,025	187,280
Cardinal Spellman High School	200,680	1,000	199,680
Monsignor Scanlan	79,300	1,000	78,300
Mt. St. Michael Academy	63,191	5,271	57,920
Preston High School	36,570	—	36,570
St. Catharine Academy	120,700	—	120,700
St. Barnabas	23,800	1,300	22,500
St. Raymond Girls Academy	109,105	15,347	93,758
St. Raymond	106,850	3,000	103,850
St. Pius V High School	21,532	1,982	19,550
Total Bronx Secondary Grants	<u>1,520,572</u>	<u>90,636</u>	<u>1,429,936</u>
Westchester Secondary Grants:			
Blessed Sacrament – St. Gabriel School	14,000	11,500	2,500
Sacred Heart High School	3,900	3,900	—
Total Westchester Secondary Grants	<u>17,900</u>	<u>15,400</u>	<u>2,500</u>
Total Secondary Grants	<u>2,366,638</u>	<u>131,369</u>	<u>2,235,269</u>
Total Elementary and Secondary Grants	<u>\$ 5,117,214</u>	<u>871,372</u>	<u>4,245,842</u>

See accompanying independent auditors' report.

INNER-CITY SCHOLARSHIP FUND, INC.

Schedule of Special Events Revenue, Program Administration Expenses,
General and Administrative Expenses, and Development Expenses

Year ended August 31, 2011

Special events revenue:	
Proceeds from the December 2010 award dinner	\$ 1,458,145
Proceeds from the 2011 spring gala	780,137
Proceeds from the lawyers' lunch	405,575
Proceeds from the junior committee	40,404
	<u>2,684,261</u>
Less direct donor benefits:	
Award dinner	193,882
Spring gala	173,762
Lawyers' lunch	92,732
Junior committee	33,590
	<u>493,966</u>
Net special events revenue	\$ <u><u>2,190,295</u></u>
Program administration expenses:	
Be A Student's Friend program:	
Salaries and fringe benefits	\$ 176,379
Professional fees	119,175
Facilities rental	2,250
Stationary and printing	6,685
Supplies	5,054
Postage and shipping	7,535
Other	14,626
Total Be A Student's Friend program administration expenses	\$ <u><u>331,704</u></u>
Other programs:	
Professional fees	\$ 30,279
Transportation	7,192
Other	3,274
Total other programs administration expenses	\$ <u><u>40,745</u></u>
General and administrative expenses:	
Salaries and fringe benefits	\$ 265,443
Computer processing costs	56,443
Professional fees	120,252
Postage and shipping	5,082
Stationary and printing	3,572
Occupancy costs	83,712
Supplies	12,805
Telephone	23,323
Other	159,761
Total general and administrative expenses	\$ <u><u>730,393</u></u>

Schedule 2

INNER-CITY SCHOLARSHIP FUND, INC.

Schedule of Special Events Revenue, Program Administration Expenses,
General and Administrative Expenses, and Development Expenses

Year ended August 31, 2011

Development expenses:	
Salaries and fringe benefits	\$ 619,367
Advertising campaign expense	242,267
Direct mail campaign expense	398,062
Other	<u>110,038</u>
Total development expenses	\$ <u><u>1,369,734</u></u>

See accompanying independent auditors' report.