Dear Friends,

In 2012, the Commonwealth of Virginia approved a 65% tax credit for donations made to approved scholarship foundations that provide educational grants to needy students wishing to attend eligible private schools. In response to this significant opportunity, the Diocese of Arlington Scholarship Foundation (DASF) was created to provide scholarships to new students from low-income families who meet the financial need requirements established by the Commonwealth of Virginia and wish to attend a diocesan Catholic school.

Our Catholic schools are committed to providing a quality education rooted in the Gospel of Jesus Christ where Catholic doctrine and values, and academic excellence prepare each student for a life of faith, service and integrity. To date, the DASF has helped more than 720 underprivileged children realize the dream of attending a Catholic school in our diocese, something their families never thought was possible!

What further sets the Scholarship Foundation apart is that qualified donations are eligible for a 65% Virginia State tax credit, as well as qualifying for a charitable tax deduction. I hope you will consider this unique opportunity to give a child the gift of a Catholic education while gaining a very beneficial tax credit for your donation. This insert provides an annual financial to exhibit our stewardship of gifts received for donations to this Foundation. Please see the second page of this insert for further information, visit our website and feel free to contact us with any questions.

Sincerely in Christ,

Jennifer Bigelow, Ed.D.
Superintendent of Schools

Statement of Financial Position

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2018</th>
<th>June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$812,503</td>
<td>$744,897</td>
</tr>
<tr>
<td>Prepaid Expense</td>
<td>$11,895</td>
<td>$959</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$824,398</td>
<td>$745,856</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>$4,338</td>
<td>$</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>$820,060</td>
<td>$745,856</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$772</td>
<td>$656</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>$819,288</td>
<td>$745,200</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$824,398</td>
<td>$745,856</td>
</tr>
</tbody>
</table>

Statement of Activities

<table>
<thead>
<tr>
<th></th>
<th>For the year ended June 30, 2018</th>
<th>For the year ended June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions (including restricted amounts)*</td>
<td>$1,884,745</td>
<td>$1,484,564</td>
</tr>
<tr>
<td>Net investment income</td>
<td>$6,812</td>
<td>$3,061</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$1,879,933</td>
<td>$1,481,503</td>
</tr>
<tr>
<td>Program distributions</td>
<td>$1,673,339</td>
<td>$1,374,334</td>
</tr>
<tr>
<td>General, administrative and fundraising expenses</td>
<td>$132,390</td>
<td>$135,422</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>$1,805,729</td>
<td>$1,509,756</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$74,204</td>
<td>($28,253)</td>
</tr>
</tbody>
</table>

* Donations made to the Foundation are to be distributed within one academic year

“This scholarship helped transform my son’s life. His attitude has improved and he is hungry to learn. He has become a more positive and vibrant young man.” —Parent of scholarship recipient

“I was so happy to support Catholic education and to see the net benefit I received from the tax credit, federal and state deductions for my donation.”

-FY18 Donor to the DASF

Please give the gift of a Catholic education and receive most of your donation back through federal and state tax savings!
Frequently Asked Questions

Who is eligible for the tax credit?
Any individual or business entity may receive a tax credit for eligible donations.

What's great about tax credits?
A tax credit allows you to subtract the amount of the credit – dollar for dollar – from the total amount you owe the state in taxes, not from taxable income. YOU DO NOT NEED TO ITEMIZE IN ORDER TO USE TAX CREDITS!

How are donations limited?
Non-business donors must contribute a minimum of $500. For individuals, including married couples, the maximum donation is $125,000 per person per taxable year. Business entities, including sole proprietorships, have no donation limitations.

What kind of donations qualify for the credit?
Eligible donations include cash, checks or marketable securities. IRA distributions also qualify for this program.

How does a donor apply for a tax credit?
In order to receive the tax credit, donors must request a preauthorization for their donation from the Virginia Dept. of Education, who will issue and mail them a Preauthorization Approval Form. The preauthorization is valid for 180 days. Donations made without a Preauthorization Approval Form will not be eligible for the tax credit. The Preauthorization Request Form can be downloaded from the Virginia Dept. of Education website: www.doe.virginia.gov/school_finance/scholarships_tax_credits

Follow these steps to get your tax credit:

1a. For 2019, download a Preauthorization Request Form
www.doe.virginia.gov/school_finance/scholarships_tax_credits

Or

1b. Contact our office for a Preauthorization Request Form

2. Please follow the instructions on the Preauthorization Request Form and mail the form to the VA DOE address shown on the form. VA DOE will then send you a Preauthorization Approval Form for your donation. Please allow a 10 day turnaround time.

3. Once you receive the Preauthorization Approval form from the VA DOE (form has a 6 character code at the top), complete Part 1 of this form, sign it, and mail it with your check to:
   Diocese of Arlington Scholarship Foundation
   200 North Glebe Road, Suite 811
   Arlington, VA 22203

4. Please make checks payable exactly to: Diocese of Arlington Scholarship Foundation. If the donation is marketable securities, please contact us for a stock donation form and instructions.

5. An acknowledgment letter from the Diocese of Arlington Scholarship Foundation will be sent to you for your charitable tax deduction.

6. The VA DOE will send a tax credit certificate directly to you. The tax credit may be claimed for the same tax year in which the donation is made. Any unused tax credits may be carried over for the next five succeeding tax years or until the total amount of the credit has been taken, whichever is sooner.

Sharing in gratitude for their many blessings, DASF Leadership donors provided an inspiring example of stewardship through their extraordinary giving. The FY18 leadership donors include the below families/businesses:

Ann and Joe Guiffre
Linda and Charles McDonough
The Minchew Family Trust
Barbara and Mark Mornau
Amy and Jason Ruggiero
Susan and Karl Sainoske
Wendy and Vic Sellier
Kaye and J.J. Smith
William M. Soltesz
Beverly and Tom Tauke
Universal Health Services, Inc

Thank you
to all our DASF donors!
Every gift is an investment in the future of our faith, and a meaningful way to support needy children by enabling them to attend a Catholic School in our diocese.

Contact: Jeanne Combos
703-841-2764 • jeanne.combos@arlingtondiocese.org
www.arlingtondiocese.org/Scholarship-Foundation