

THE BECKET FUND
AUDITED
FINANCIAL STATEMENTS

Years Ended September 30, 2019 and 2018

HOZIK & COMPANY, P.L.C.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Becket Fund
Washington, D.C.

We have audited the accompanying financial statements of The Becket Fund ("Becket") (a nonprofit organization) which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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 auditors' 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, management has elected to adopt Accounting Standards Update ASU 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Becket Fund as of September 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Henjil & Company, P.L.C.

Vienna, Virginia
December 17, 2019

THE BECKET FUND
 STATEMENTS OF FINANCIAL POSITION
 September 30, 2019 and 2018

| ASSETS | <u>2019</u> | <u>2018</u> |
|--|---------------------|---------------------|
| Cash | \$ 4,625,794 | \$ 1,340,328 |
| Prepaid expenses and other assets | 198,357 | 148,643 |
| Accounts receivable | - | 550,000 |
| Contributions receivable, net of allowance for discount of \$8,300 and \$1,371 as of September 30, 2019 and 2018, respectively | 1,695,689 | 1,003,629 |
| Property and equipment, net | 195,269 | 229,555 |
| Deposits | <u>40,322</u> | <u>39,372</u> |
| TOTAL ASSETS | <u>\$ 6,755,431</u> | <u>\$ 3,311,527</u> |
| | | |
| LIABILITIES AND NET ASSETS | | |
| Accounts payable and accrued expenses | \$ 113,650 | \$ 112,269 |
| Capital leases payable | 70,305 | 11,703 |
| Deferred rent incentive | 162,052 | 261,783 |
| Long-term debt | <u>-</u> | <u>20,610</u> |
| TOTAL LIABILITIES | 346,007 | 406,365 |
| | | |
| NET ASSETS | | |
| Without donor restrictions | | |
| Undesignated | 4,644,168 | 1,751,533 |
| With donor restrictions | <u>1,765,256</u> | <u>1,153,629</u> |
| TOTAL NET ASSETS | <u>6,409,424</u> | <u>2,905,162</u> |
| | | |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 6,755,431</u> | <u>\$ 3,311,527</u> |

See notes to financial statements.

THE BECKET FUND
STATEMENTS OF ACTIVITIES
Years ended September 30, 2019 and 2018

| | 2019 | | | 2018 | | |
|---|----------------------------|-------------------------|---------------------|----------------------------|-------------------------|---------------------|
| | Without donor restrictions | With donor restrictions | Total | Without donor restrictions | With donor restrictions | Total |
| SUPPORT AND REVENUE | | | | | | |
| Contributions and grants | \$ 4,916,222 | \$ 1,779,682 | \$ 6,695,904 | \$ 4,254,525 | \$ 1,293,629 | \$ 5,548,154 |
| Canterbury Medal Gala | 703,688 | - | 703,688 | 897,270 | - | 897,270 |
| Less: costs of direct benefit to donors | (197,610) | - | (197,610) | (197,905) | - | (197,905) |
| Legal fees and awards | 506,078 | - | 506,078 | 699,365 | - | 699,365 |
| Grant for services | 2,731,776 | - | 2,731,776 | 688,500 | - | 688,500 |
| Reimbursed litigation expenses | - | - | - | 244,579 | - | 244,579 |
| Miscellaneous income | 2,328 | - | 2,328 | - | - | - |
| | 10,117 | - | 10,117 | 15,007 | - | 15,007 |
| TOTAL SUPPORT AND REVENUE | 8,166,521 | 1,779,682 | 9,946,203 | 5,901,976 | 1,293,629 | 7,195,605 |
| NET ASSETS RELEASED FROM RESTRICTIONS | | | | | | |
| Satisfaction of donation restrictions | 1,168,055 | (1,168,055) | - | 1,215,668 | (1,215,668) | - |
| TOTAL SUPPORT, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS | 9,334,576 | 611,627 | 9,946,203 | 7,117,644 | 77,961 | 7,195,605 |
| EXPENSES | | | | | | |
| Program services | 5,294,986 | - | 5,294,986 | 5,522,722 | - | 5,522,722 |
| Supporting services | | | | | | |
| General and administrative | 370,900 | - | 370,900 | 382,164 | - | 382,164 |
| Fundraising | 776,055 | - | 776,055 | 683,923 | - | 683,923 |
| TOTAL EXPENSES | 6,441,941 | - | 6,441,941 | 6,588,809 | - | 6,588,809 |
| TOTAL INCREASE IN NET ASSETS | 2,892,635 | 611,627 | 3,504,262 | 528,835 | 77,961 | 606,796 |
| NET ASSETS AT BEGINNING OF YEAR | 1,751,533 | 1,153,629 | 2,905,162 | 1,222,698 | 1,075,668 | 2,298,366 |
| NET ASSETS AT END OF YEAR | \$ 4,644,168 | \$ 1,765,256 | \$ 6,409,424 | \$ 1,751,533 | \$ 1,153,629 | \$ 2,905,162 |

See notes to financial statements.

THE BECKET FUND
STATEMENTS OF CASH FLOWS
Years ended September 30, 2019 and 2018

| | | |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | <u>2019</u> | <u>2018</u> |
| Increase in net assets | \$ 3,504,262 | \$ 606,796 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities | | |
| Depreciation and amortization of property and equipment | 124,435 | 134,782 |
| Increase (decrease) in discount on contributions receivable | 6,929 | (3,629) |
| Gain on disposal of property and equipment | - | (344) |
| Changes in operating assets and liabilities | | |
| (Increase) decrease in prepaid expenses and other assets | (49,714) | 167,557 |
| Decrease (increase) in accounts receivable | 550,000 | (550,000) |
| Increase in contributions receivable | (698,989) | (57,527) |
| Decrease in grant receivable | - | 95,419 |
| Increase in deposits | (950) | - |
| Increase (decrease) in accounts payable and accrued expenses | 1,381 | (185,769) |
| Decrease in deferred rent incentive | <u>(99,731)</u> | <u>(76,036)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 3,337,623 | 131,249 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | <u>(26,630)</u> | <u>(20,753)</u> |
| NET CASH USED BY INVESTING ACTIVITIES | (26,630) | (20,753) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Principal payments on capital leases | (4,917) | (2,914) |
| Principal payments on long-term debt | <u>(20,610)</u> | <u>(41,221)</u> |
| NET CASH USED BY FINANCING ACTIVITIES | <u>(25,527)</u> | <u>(44,135)</u> |
| NET INCREASE IN CASH | 3,285,466 | 66,361 |
| CASH AT BEGINNING OF THE YEAR | <u>1,340,328</u> | <u>1,273,967</u> |
| CASH AT END OF YEAR | <u>\$ 4,625,794</u> | <u>\$ 1,340,328</u> |
| SUPPLEMENTAL CASH FLOW INFORMATION | | |
| Interest paid | \$ 1,137 | \$ 5,754 |
| Income taxes paid | \$ 11,907 | \$ 3,435 |
| Non cash financing transactions: | | |
| Equipment acquired under capital lease | \$ 63,519 | \$ 13,540 |

See notes to financial statements.

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 1 - ORGANIZATION

The Becket Fund for Religious Liberty is a non-profit, public interest law firm that protects the free expression of all religions. Becket exists to vindicate a simple but frequently neglected principle: that because the religious impulse is natural to human beings, religious expression is natural to human culture. As a public interest law firm, Becket represents its clients free of charge (pro-bono) and takes on cases to challenge federal, state, and local violations against the first Amendment right to free expression. Since its founding in 1993, it has been the leading firm in defending the rights of people from “A to Z,” from Anglicans to Zoroastrians. Past and current clients include Buddhists, Christians, Hindus, Jews, Muslims, Sikhs, Native Americans and Zoroastrians. Becket has obtained kosher food for Jewish prisoners in Texas, made it possible for a mosque to open in Tennessee, kept a Sikh boy from getting kicked out of high school for wearing a kirpan, protected a Christian family-owned pharmacy from being forced to sell drugs that violated their religious beliefs, and protected the rights of a New York Amish community to build their houses according to their faith.

Becket supporters represent a myriad of religions, but they all share a common vision of a world where religious liberty is respected as a fundamental human right that all are entitled to enjoy and exercise. Its support comes from charitable contributions and grants from individuals and foundations of diverse faith traditions and backgrounds. It is internationally recognized as a leading public interest law firm by the elite media, religious leaders, academics and legal professionals.

Becket’s major sources of revenue are contributions, legal fees and awards, grants, and its annual gala.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: Becket maintains its accounting records on the accrual basis of accounting.

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

Basis of Presentation: In accordance with the *Not-For-Profit-Entities – Presentation of Financial Statements* sub topic of the FASB Accounting Standards Codification, Becket reports information regarding its financial position and activities according to the following net asset classifications.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Becket. These net assets may be used at the discretion of Becket’s management and the Board of Directors.

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued):

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors that will be satisfied by action of Becket or by the passage of time.

Contributions: Contributions are accounted for in accordance with the *Not-For-Profit Entities – Revenue Recognition* topic of the FASB Accounting Standards Codification. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Grant for Services: Revenue from grants for services is recognized as allowable costs under the grant are incurred. During the year ended September 30, 2018 the grant was completed and all grant funds were received.

Cash: Cash consists of checking accounts and petty cash.

Financial and Credit Risk: Becket maintains cash in bank deposit accounts, which at times may exceed Federally insured limits. Becket has not experienced any losses in such accounts. Becket believes it is not exposed to any significant credit risk on cash.

Becket is a not-for-profit, nonpartisan public interest law firm. Becket's clients are located throughout the United States. Becket performs ongoing credit evaluation of its clients and requires no collateral against accounts receivable. Becket has had minimal credit losses on its accounts receivable.

Accounts Receivable: Accounts receivable for fees, reimbursable expenses and awards are reported on the statements of financial position at the outstanding principal balance adjusted for any write-offs. Accounts receivable are considered past due based on contractual payment terms. Uncollectible accounts receivable are written off when it is finally determined they are uncollectible. No allowance was considered necessary at September 30, 2019 and 2018.

Contributions: Unconditional contributions are recognized as revenues in the period received. Conditional contributions are recognized only when the condition on which they depend are substantially met and the contributions become unconditional. Contributions receivable are reported in the statements of financial position at the outstanding contribution balance adjusted for any write-offs and an allowance for uncollectible contributions, if applicable. Contributions anticipated to be received beyond one year are discounted to their net present value at a risk adjusted rate.

Property and Equipment: Property and equipment of Becket are recorded at cost. The cost of disposed assets is removed from the respective fixed asset and accumulated depreciation and

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued):

amortization accounts. Leasehold improvements are amortized over the shorter of the term of the related lease or the estimated useful life of the improvement. Depreciation and amortization of all other property and equipment is calculated using the straight-line method over the estimated useful lives of the related assets ranging from three to ten years. Becket's policy is to capitalize all purchases of property and equipment in excess of \$500.

Functional Allocation of Expenses: The cost of providing program and other activities has been summarized on a functional basis in the statements of activities. Expenses directly attributable to a specific functional area of Becket are reported as expenses of those functional areas. Payroll and benefit expenses have been allocated across program and other supporting services based on the estimated time and effort spent by the employees in each area. Rent, travel and related, professional fees, books and subscriptions, depreciation and amortization, office expenses, other insurance, dues, fees and seminars, postage and delivery, and printing and reproduction have been primarily allocated based on the proportion of full-time employee equivalents of a program or other supporting service versus the total organizational full-time employee equivalents.

Income Taxes: Becket is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code. However, any income from certain activities not directly related to Becket's tax-exempt purpose would be subject to taxation as unrelated business income. Becket incurred unrelated business income tax expense of \$11,907 and \$3,435 related to qualified transportation fringe benefits provided to its employees for the years ended September 30, 2019 and 2018, respectively. As of September 30, 2019, the federal and state statute of limitations remains open for the 2016 through the 2019 tax years.

Subsequent Events: In preparing these financial statements, management has evaluated events and transactions that occurred after the statement of financial position date for potential recognition or disclosure through December 17, 2019, the date the financial statements were available to be issued. None were noted.

New Accounting Pronouncement: On August 18, 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU has been applied retrospectively to all periods presented, with the exception of the presentation of the availability and liquidity disclosure presented in Note 3 as permitted by the ASU.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents Becket's financial assets at September 30, 2019:

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 - AVAILABILITY AND LIQUIDITY (CONTINUED)

| | |
|---|--------------------|
| Financial assets at year end: | |
| Cash | \$4,625,794 |
| Contributions receivable, net | 1,695,689 |
| Deposits | <u>40,322</u> |
| | 6,361,805 |
| Less amounts not available to be used for general expenditures within one year: | |
| Net assets with donor restrictions | <u>(1,765,256)</u> |
| Financial assets available to meet general expenditures over the next twelve months | |
| | <u>\$4,596,549</u> |

Becket maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable at September 30, 2019 and 2018 are unconditional. Contributions receivable due twelve months or more after the statement of financial position date are discounted at 2% per annum.

Unconditional contributions receivable as of September 30, 2019 and 2018 are as follows:

| | <u>2019</u> | <u>2018</u> |
|--|--------------------|--------------------|
| Receivable in less than one year | \$1,513,989 | \$855,000 |
| Receivable in one to five years | <u>190,000</u> | <u>150,000</u> |
| Total unconditional contributions receivable | 1,703,989 | 1,005,000 |
| Less discount to net present value | <u>(8,300)</u> | <u>(1,371)</u> |
| Net unconditional contributions receivable | <u>\$1,695,689</u> | <u>\$1,003,629</u> |

No allowance for doubtful contributions is considered necessary at September 30, 2019 and 2018.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment, net at September 30, 2019 and 2018 consists of:

| | <u>2019</u> | <u>2018</u> |
|-------------------------|-------------|-------------|
| Computers and equipment | \$209,047 | \$118,899 |
| Furniture | 100,193 | 100,193 |
| Website and server | 222,112 | 222,112 |
| Artwork | 15,500 | 15,500 |
| Software | 10,848 | 10,848 |
| Leasehold improvements | 81,334 | 81,334 |

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 - PROPERTY AND EQUIPMENT (CONTINUED)

| | | |
|---|------------------|------------------|
| Less accumulated depreciation and amortization | (443,765) | (319,331) |
| Total | <u>\$195,269</u> | <u>\$229,555</u> |

As of September 30, 2019 and 2018, Becket leased two copiers under long-term capital leases.

Property and equipment includes the following amount for the leases that have been capitalized at September 30, 2019 and 2018:

| | | |
|-------------------------------|-----------------|-----------------|
| | <u>2019</u> | <u>2018</u> |
| Equipment | \$77,059 | \$13,539 |
| Less accumulated depreciation | <u>(10,171)</u> | <u>(2,632)</u> |
| | <u>\$66,888</u> | <u>\$10,907</u> |

Amortization of these assets, computed by the straight-line method over the useful life of the asset, is included in depreciation and amortization expense.

NOTE 6 - LONG-TERM DEBT AND INTEREST EXPENSE

During the year ended September 30, 2016, Becket entered into a three year loan with Susquehanna Commercial Finance, Inc. for the purchase of property and leasehold improvements. Monthly payments on the loan were \$3,904 due from April 2016 through March 2019 with interest of 9.267%. The amount outstanding on this loan at September 30, 2018 was \$20,610. The loan was paid off in March 2019. The loan was collateralized by the property and leasehold improvements that were financed.

Interest expense on the loan and capital leases for the years ended September 30, 2019 and 2018 amounted to \$1,137 and \$5,754, respectively.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED
FROM RESTRICTIONS

Net assets with donor restrictions at September 30, 2019 and 2018 were restricted for the following purposes:

| | | |
|---|--------------------|--------------------|
| Subject to expenditure for specified purpose or passage of time: | | |
| Contributions receivable | <u>2019</u> | <u>2018</u> |
| MT New Staff | \$1,212,216 | \$853,629 |
| Law clinics at elite schools | 150,000 | 300,000 |
| Pro Life Litigation | 328,040 | - |
| Religious Liberty Index | 50,000 | - |
| | <u>25,000</u> | <u>-</u> |
| | <u>\$1,765,256</u> | <u>\$1,153,629</u> |

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED
FROM RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions during the years ended September 30, 2019 and 2018 are as follows:

| | <u>2019</u> | <u>2018</u> |
|---|--------------------|--------------------|
| Releases due to purpose restrictions accomplished: | | |
| MT New Staff | \$150,000 | \$ - |
| Law clinics at elite schools | 126,692 | 192,006 |
| Religious Liberty Index | 53,250 | - |
| Pro Life Litigation | 50,000 | - |
| Tolerance and religious pluralism in high education | 100,000 | - |
| NCLA | - | 111,189 |
| Constitutional law fellows | - | 50,000 |
| Islamic Society of Basking Ridge NJ | <u>-</u> | <u>25,000</u> |
| | 479,942 | 378,195 |
| Releases due to passage of time: | | |
| Contributions receivable | <u>688,113</u> | <u>837,473</u> |
| Net assets released from restrictions | <u>\$1,168,055</u> | <u>\$1,215,668</u> |

NOTE 8 - EMPLOYEE BENEFITS

Becket has a 401(k) plan, which covers employees who meet the eligibility requirements and who elect to participate. Under terms of the plan, eligible employees may defer a portion of their compensation, which is then contributed to the plan. Effective January 2016, Becket began matching three percent of participant's base salary in the Plan. For the years ended September 30, 2019 and 2018, the total expense for the 401(k) Plan is \$91,385 and \$81,926, respectively. Becket also has a flexible benefits plan for employees.

NOTE 9 - MAJOR CONTRIBUTORS AND CONTRIBUTIONS

Approximately 12% and 17% of support and revenue for the years ended September 30, 2019 and 2018 was provided through one donor-advised fund, respectively. Becket's annual gala raised approximately 7% and 12% of total support and revenue for the years ended September 30, 2019 and 2018, respectively.

NOTE 10 - RELATED PARTY TRANSACTIONS

Transactions with related parties for the years ended September 30, 2019 and 2018 are as follows:

| | <u>2019</u> | <u>2018</u> |
|----------------------------------|-------------|-------------|
| Contributions from Board members | \$832,838 | \$1,443,111 |

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 10 - RELATED PARTY TRANSACTIONS (CONTINUED)

Balances due from related parties at September 30, 2019 and 2018 are as follows:

| | | |
|---|-------------|-------------|
| | <u>2019</u> | <u>2018</u> |
| Contributions receivable from Board members | \$465,516 | \$500,000 |

NOTE 11 - LEASE AND OTHER COMMITMENTS

Becket leases office space in Washington, D.C., Mount Pleasant, South Carolina, and Salt Lake City, Utah under operating leases that end December 31, 2020, August 31, 2020 and August 31, 2019, respectively. Becket also leases copiers under capital leases that expire May 2023 and September 2024.

Future minimum lease payments on Becket's leases at September 30, 2019 are as follows:

| <u>Year ending September 30:</u> | <u>Capital leases</u> | <u>Operating leases</u> | <u>Total</u> |
|--------------------------------------|---------------------------|-----------------------------|------------------|
| 2020 | \$17,175 | \$582,474 | \$599,649 |
| 2021 | 17,175 | 149,939 | 167,114 |
| 2022 | 17,175 | - | 17,175 |
| 2023 | 16,129 | - | 16,129 |
| 2024 | <u>14,313</u> | <u>-</u> | <u>14,313</u> |
| | 81,967 | <u>\$732,413</u> | <u>\$814,380</u> |
| Less amount representing interest | <u>(11,662)</u> | | <u>\$70,305</u> |

Rent expense was \$472,917 and \$470,329 for the years ended September 30, 2019 and 2018, respectively.

NOTE 12 - FUNCTIONAL EXPENSES

The functional allocation of expenses for the year ended September 30, 2019 is as follows:

| | Program services | <u>Supporting Services</u> | | Total |
|-------------------------|---------------------|---------------------------------------|--------------------|--------------|
| | | <u>General and administrative</u> | <u>Fundraising</u> | |
| Payroll and benefits | \$ 3,767,100 | \$ 159,997 | \$ 384,558 | \$ 4,311,655 |
| Rent | 408,736 | 26,939 | 37,242 | 472,917 |
| Travel and related | 232,118 | 15,299 | 21,149 | 268,566 |
| Conferences and events | - | - | 272,603 | 272,603 |
| Professional fees | 156,170 | 77,150 | 13,391 | 246,711 |
| Books and subscriptions | 169,188 | 11,151 | 15,416 | 195,755 |

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 12 - FUNCTIONAL EXPENSES (CONTINUED)

| | Program services | Supporting Services | | Total |
|-------------------------------|---------------------|-------------------------------|-------------------|---------------------|
| | | General and administrative | Fundraising | |
| Depreciation and amortization | 107,548 | 7,088 | 9,799 | 124,435 |
| Litigation | 66,453 | - | - | 66,453 |
| Office expenses | 82,411 | 5,432 | 7,512 | 95,355 |
| Public relations | 73,107 | - | - | 73,107 |
| Subcontractor expense | 71,583 | - | - | 71,583 |
| Communications | 58,791 | 3,875 | 5,357 | 68,023 |
| Information technology | - | 56,302 | - | 56,302 |
| Insurance | 35,812 | 2,182 | 3,017 | 41,011 |
| Dues, fees and seminars | 32,453 | 2,139 | 2,957 | 37,549 |
| Postage and delivery | 20,066 | 1,323 | 1,828 | 23,217 |
| Printing and reproduction | 13,450 | 886 | 1,226 | 15,562 |
| Interest | - | 1,137 | - | 1,137 |
| | <u>\$ 5,294,986</u> | <u>\$ 370,900</u> | <u>\$ 776,055</u> | <u>\$ 6,441,941</u> |

The functional allocation of expenses for the year ended September 30, 2018 is as follows:

| | Program services | Supporting Services | | Total |
|-------------------------------|---------------------|-------------------------------|-------------|--------------|
| | | General and administrative | Fundraising | |
| Payroll and benefits | \$ 3,587,314 | \$ 204,849 | \$ 351,395 | \$ 4,143,558 |
| Rent | 407,191 | 23,252 | 39,886 | 470,329 |
| Travel and related | 200,711 | 11,461 | 19,661 | 231,833 |
| Conferences and events | - | - | 225,137 | 225,137 |
| Professional fees | 242,421 | 54,848 | 9,377 | 306,646 |
| Books and subscriptions | 106,640 | 6,090 | 10,446 | 123,176 |
| Depreciation and amortization | 116,689 | 6,663 | 11,430 | 134,782 |
| Litigation | 102,247 | - | - | 102,247 |
| Office expenses | 82,578 | 4,716 | 8,089 | 95,383 |
| Public relations | 124,252 | - | - | 124,252 |
| Subcontractor expense | 355,520 | - | - | 355,520 |
| Communications | 58,905 | - | - | 58,905 |
| Information technology | - | 59,574 | - | 59,574 |
| Insurance | 62,908 | 956 | 1,639 | 65,503 |
| Dues, fees and seminars | 33,250 | 1,899 | 3,257 | 38,406 |
| Postage and delivery | 19,559 | 1,117 | 1,916 | 22,592 |

THE BECKET FUND
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 12 - FUNCTIONAL EXPENSES (CONTINUED)

| | Program services | Supporting Services | | Total |
|---------------------------|---------------------|-------------------------------|-------------------|---------------------|
| | | General and administrative | Fundraising | |
| Printing and reproduction | 17,249 | 985 | 1,690 | 19,924 |
| Interest | - | 5,754 | - | 5,754 |
| Donations | 5,288 | - | - | 5,288 |
| | <u>\$ 5,522,722</u> | <u>\$ 382,164</u> | <u>\$ 683,923</u> | <u>\$ 6,588,809</u> |