

THE BECKET FUND
AUDITED
FINANCIAL STATEMENTS

Years Ended September 30, 2020 and 2019

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, 2020 and 2019, 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.

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, 2020 and 2019, 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.

Henrik & Company, P.L.C.

Vienna, Virginia
December 16, 2020

THE BECKET FUND
 STATEMENTS OF FINANCIAL POSITION
 September 30, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
Cash	\$ 3,040,125	\$ 4,625,794
Restricted cash	291,451	-
Investments	63,907	37,356
Prepaid expenses and other assets	367,430	161,001
Other receivables	68,498	-
Contributions receivable, net of allowance for discount of \$34,000 and \$8,300 as of September 30, 2020 and 2019, respectively	2,929,730	1,695,689
Property and equipment, net	109,678	195,269
Deposits	<u>40,322</u>	<u>40,322</u>
TOTAL ASSETS	<u>\$ 6,911,141</u>	<u>\$ 6,755,431</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 146,739	\$ 113,650
Refundable advances - Canterbury Medal Gala	50,062	-
Capital leases payable	53,419	70,305
Deferred rent incentive	<u>37,572</u>	<u>162,052</u>
TOTAL LIABILITIES	287,792	346,007
NET ASSETS		
Without donor restrictions		
Undesignated	3,693,619	4,644,168
With donor restrictions	<u>2,929,730</u>	<u>1,765,256</u>
TOTAL NET ASSETS	<u>6,623,349</u>	<u>6,409,424</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,911,141</u>	<u>\$ 6,755,431</u>

See notes to financial statements.

THE BECKET FUND
STATEMENTS OF ACTIVITIES
Years ended September 30, 2020 and 2019

	2020			2019		
	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE						
Contributions and grants	\$ 4,408,143	\$ 3,071,730	\$ 7,479,873	\$ 4,916,222	\$ 1,779,682	\$ 6,695,904
Canterbury Medal Gala	-	-	-	703,688	-	703,688
Less: costs of direct benefit to donors	-	-	-	(197,610)	-	(197,610)
	-	-	-	506,078	-	506,078
Legal fees and awards	1,875	-	1,875	2,731,776	-	2,731,776
Reimbursed litigation expenses	-	-	-	2,328	-	2,328
Miscellaneous (loss) income	(4,450)	-	(4,450)	10,117	-	10,117
TOTAL SUPPORT AND REVENUE	4,405,568	3,071,730	7,477,298	8,166,521	1,779,682	9,946,203
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of donation restrictions	1,907,256	(1,907,256)	-	1,168,055	(1,168,055)	-
TOTAL SUPPORT, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS	6,312,824	1,164,474	7,477,298	9,334,576	611,627	9,946,203
EXPENSES						
Program services	6,163,517	-	6,163,517	5,347,313	-	5,347,313
Supporting services						
General and administrative	402,903	-	402,903	329,881	-	329,881
Fundraising	696,953	-	696,953	764,747	-	764,747
TOTAL EXPENSES	7,263,373	-	7,263,373	6,441,941	-	6,441,941
TOTAL (DECREASE) INCREASE IN NET ASSETS	(950,549)	1,164,474	213,925	2,892,635	611,627	3,504,262
NET ASSETS AT BEGINNING OF YEAR	4,644,168	1,765,256	6,409,424	1,751,533	1,153,629	2,905,162
NET ASSETS AT END OF YEAR	\$ 3,693,619	\$ 2,929,730	\$ 6,623,349	\$ 4,644,168	\$ 1,765,256	\$ 6,409,424

See notes to financial statements.

THE BECKET FUND
 STATEMENTS OF CASH FLOWS
 Years ended September 30, 2020 and 2019

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2020</u>	<u>2019</u>
Increase in net assets	\$ 213,925	\$ 3,504,262
Adjustments to reconcile increase in net assets to net cash (used) provided by operating activities		
Depreciation and amortization of property and equipment	107,494	124,435
Increase in discount on contributions receivable	25,700	6,929
Donated investments	(30,492)	(35,230)
Unrealized loss on investments	3,941	-
Loss on disposal of property and equipment	1,648	-
Changes in operating assets and liabilities		
Increase in prepaid expenses and other assets	(206,429)	(14,484)
(Increase) decrease in other receivables	(68,498)	550,000
Increase in contributions receivable	(1,259,741)	(698,989)
Increase in deposits	-	(950)
Increase in accounts payable and accrued expenses	33,089	1,381
Increase in refundable advances - Canterbury Medal Gala	50,062	-
Decrease in deferred rent incentive	<u>(124,480)</u>	<u>(99,731)</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(1,253,781)	3,337,623
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of property and equipment	258	-
Purchase of property and equipment	<u>(23,809)</u>	<u>(26,630)</u>
NET CASH USED BY INVESTING ACTIVITIES	(23,551)	(26,630)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital leases	(16,886)	(4,917)
Principal payments on long-term debt	<u>-</u>	<u>(20,610)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(16,886)</u>	<u>(25,527)</u>
NET (DECREASE) INCREASE IN CASH AND RESTRICTED CASH	(1,294,218)	3,285,466
CASH AND RESTRICTED CASH AT BEGINNING OF THE YEAR	<u>4,625,794</u>	<u>1,340,328</u>
CASH AND RESTRICTED CASH AT END OF YEAR	<u>\$ 3,331,576</u>	<u>\$ 4,625,794</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ 3,819	\$ 1,137
Non cash financing transactions:		
Equipment acquired under capital lease	\$ -	\$ 63,519

See notes to financial statements.

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS
September 30, 2020 and 2019

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.

Cash and Restricted Cash: Cash and restricted cash consists of checking accounts, money market deposit accounts and petty cash.

The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position that sum to the total of the same such amounts as shown in the statements of cash flows:

	<u>2020</u>	<u>2019</u>
Cash	\$3,040,125	\$4,625,794
Restricted cash	<u>291,451</u>	<u>-</u>
Total cash and restricted cash as shown in the statements of cash flows	<u>\$3,331,576</u>	<u>\$4,625,794</u>

Restricted cash is comprised of a money market deposit account that serves as collateral for Becket's letter of credit. See Note 13.

Financial and Credit Risks: Becket maintains cash in various financial institutions, 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.

At September 30, 2020 and 2019, Becket is invested principally in stocks and a mutual fund. Such investments are exposed to various risks such as market and interest rate fluctuations.

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. There were no accounts receivable at September 30, 2020 and 2019.

The outbreak of COVID-19 (coronavirus) caused by a novel strain of the coronavirus was recognized as a pandemic by the World Health Organization on March 11, 2020, and the

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial and Credit Risks (Continued):

outbreak has become increasingly widespread in the United States. The COVID-19 outbreak has had a notable impact on general economic conditions, including, but not limited to, the temporary closures of many businesses, “shelter in place” and other governmental regulations, “work from home” directives, and there are many unknowns.

Becket continues to monitor the impact of the COVID-19 outbreak closely. The extent to which the COVID-19 outbreak will impact Becket’s results of operations, financial condition, and cash flows is uncertain.

Investments in Marketable Securities: Investments with readily determinable fair values are reported at fair market value on the statements of financial position. The fair value of the investments which are traded on national security exchanges is valued at the closing price on the last business day of the year. Unrealized and realized gains and losses are included in the statements of activities as a component of miscellaneous income. Marketable securities acquired by donations are recorded at their fair value at the date of the donation.

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.

Refundable advances represent payments received for the Canterbury Medal Gala that will take place in May 2022.

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 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

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses (Continued):

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 did not incur any income tax expense related to unrelated business income for the years ended September 30, 2020 and 2019. As of September 30, 2020, the federal and state statute of limitations remains open for the 2017 through the 2020 tax years.

Reclassifications: Certain balances at September 30, 2019 have been reclassified to conform to the September 30, 2020 presentation.

Subsequent Events: In preparing these financial statements, management has evaluated events and transactions that occurred after the statements of financial position date for potential recognition or disclosure through December 16, 2020, the date the financial statements were available to be issued. None were noted.

New Accounting Pronouncement: In June 2018, the Financial Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This ASU intends to clarify and improve current accounting guidance to determine when a transaction should be accounted for as a contribution or as an exchange transaction and provides additional guidance about how to determine whether a contribution is conditional. Becket adopted ASU 2018-08 on October 1, 2019 using the modified prospective approach. The adoption of the ASU did not have an impact on the financial statements.

In November 2016, the FASB issued Accounting Standards Update (ASU) 2016-18 Statement of Cash Flows (Topic 230): *Restricted Cash*. ASU 2016-18 requires entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statements of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statements of cash flows. The ASU requires changes in Becket's restricted cash to be classified as either operating activities, investing activities or financing activities in the statements of cash flows, depending on the nature of the activities that gave rise to the restriction. Becket adopted the ASU on October 1, 2019 and has applied the ASU retrospectively to all periods presented.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents Becket's financial assets at September 30, 2020 and 2019:

Financial assets at year end:	<u>2020</u>	<u>2019</u>
Cash	\$3,040,125	\$4,625,794
Restricted cash	291,451	-

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 - AVAILABILITY AND LIQUIDITY (CONTINUED)

Investments	63,907	37,356
Other receivables	68,498	-
Contributions receivable, net	2,929,730	1,695,689
Deposits	<u>40,322</u>	<u>40,322</u>
	6,434,033	6,399,161
Less amounts not available to be used for general expenditures within one year:		
Net assets with donor restrictions	(2,929,730)	(1,765,256)
Restricted cash	(291,451)	-
Less net assets with time restrictions to be met in less than one year	<u>2,929,730</u>	<u>1,212,216</u>
	<u>(291,451)</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$6,142,582</u>	<u>\$5,846,121</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 - INVESTMENTS AND INVESTMENT (LOSS) INCOME

Investments at September 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Stocks	\$61,867	\$37,341
Mutual fund	1,561	-
Cash	<u>479</u>	<u>15</u>
	<u>\$63,907</u>	<u>\$37,356</u>

Investment (loss) income consists of the following for the years ended September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$14	\$64
Net realized and unrealized (loss)/gain	<u>(3,941)</u>	<u>8,367</u>
	<u>\$(3,927)</u>	<u>\$8,431</u>

Investment (loss) income is included in miscellaneous income on the statements of activities.

NOTE 5 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification establishes a common definition for fair value to be applied to U.S. generally

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements.

The framework establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values. The statement requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Unobservable inputs for the asset or liability.

The following table summarizes the valuation of the financial instruments by the above pricing levels as of September 30, 2020 and 2019:

	<u>2020</u> Unadjusted quoted market prices (<u>Level 1</u>)	<u>2019</u> Unadjusted quoted market prices (<u>Level 1</u>)
Stocks:		
High yield	\$4,696	\$ -
Cyclical	33,790	2,111
Small value	23,381	35,230
Mutual Fund – large blend	1,561	-
Cash ¹	<u>479</u>	<u>15</u>
	<u>\$63,907</u>	<u>\$37,356</u>

¹ Becket's cash account is not valued at fair value under ASC 820, however is presented in this total to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

NOTE 6 - CONTRIBUTIONS RECEIVABLE

Contributions receivable at September 30, 2020 and 2019 are unconditional. Contributions receivable due twelve months or more after the statements of financial position date are discounted at 2% per annum.

Unconditional contributions receivable as of September 30, 2020 and 2019 are as follows:

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 - CONTRIBUTIONS RECEIVABLE (CONTINUED)

	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$2,013,730	\$1,513,989
Receivable in one to five years	<u>950,000</u>	<u>190,000</u>
Total unconditional contributions receivable	2,963,730	1,703,989
Less discount to net present value	<u>(34,000)</u>	<u>(8,300)</u>
Net unconditional contributions receivable	<u>\$2,929,730</u>	<u>\$1,695,689</u>

No allowance for doubtful contributions is considered necessary at September 30, 2020 and 2019.

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment, net at September 30, 2020 and 2019 consists of:

	<u>2020</u>	<u>2019</u>
Computers and equipment	\$180,212	\$209,047
Furniture	100,193	100,193
Website and server	187,731	222,112
Artwork	15,500	15,500
Software	10,848	10,848
Leasehold improvements	81,333	81,334
Less accumulated depreciation and amortization	<u>(466,139)</u>	<u>(443,765)</u>
Total	<u>\$109,678</u>	<u>\$195,269</u>

As of September 30, 2020 and 2019, 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Equipment	\$77,059	\$77,059
Less accumulated amortization	<u>(26,783)</u>	<u>(10,171)</u>
	<u>\$50,276</u>	<u>\$66,888</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 8 - 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 loan was collateralized by the property and leasehold improvements that were financed. The loan was paid off in March 2019.

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 8 - LONG-TERM DEBT AND INTEREST EXPENSE (CONTINUED)

Interest expense on the loan for the year ended September 30, 2019 amounted to \$620.

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED
FROM RESTRICTIONS

Net assets with donor restrictions at September 30, 2020 and 2019 were restricted for the following purposes:

Subject to expenditure for specified purpose or passage of time:	<u>2020</u>	<u>2019</u>
Contributions receivable	\$2,929,730	\$1,212,216
MT New Staff	-	150,000
Law clinics at elite schools	-	328,040
Pro Life Litigation	-	50,000
Religious Liberty Index	-	25,000
	<u>\$2,929,730</u>	<u>\$1,765,256</u>

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, 2020 and 2019 are as follows:

Releases due to purpose restrictions accomplished:	<u>2020</u>	<u>2019</u>
MT New Staff	\$150,000	\$150,000
Law clinics at elite schools	448,040	126,692
Religious Liberty Index	50,000	53,250
Pro Life Litigation	301,000	50,000
Tolerance and religious pluralism in high education	-	100,000
Fulton case	26,000	-
Chung vs WIAA case	<u>1,000</u>	<u>-</u>
	976,040	479,942
Releases due to passage of time:		
Contributions receivable	<u>931,216</u>	<u>688,113</u>
Net assets released from restrictions	<u>\$1,907,256</u>	<u>\$1,168,055</u>

NOTE 10 - 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, 2020 and 2019, the total expense for the 401(k) Plan is \$112,917 and \$91,385, respectively. Becket also has a flexible benefits plan for employees.

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 11 - MAJOR CONTRIBUTORS AND CONTRIBUTIONS

Approximately 31% of support and revenue for the year ended September 30, 2020 was provided from two donors. Approximately 12% of support and revenue for the year ended September 30, 2019 was provided through one donor-advised fund. Becket's annual gala raised approximately 0% and 7% of total support and revenue for the years ended September 30, 2020 and 2019, respectively. There was no gala during the year ended September 30, 2020.

NOTE 12 - RELATED PARTY TRANSACTIONS

Transactions with related parties for the years ended September 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Contributions from Board members	\$618,694	\$832,838

Balances due from related parties at September 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Contributions receivable from Board members	\$600,000	\$465,516

NOTE 13 - LEASE AND OTHER COMMITMENTS

At September 30, 2020, Becket leases office space in Washington, D.C., Mount Pleasant, South Carolina, and Salt Lake City, Utah under operating leases. 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, 2020 are as follows:

<u>Year ending September 30:</u>	<u>Capital leases</u>	<u>Operating leases</u>	<u>Total</u>
2021	\$13,246	\$149,939	\$163,185
2022	17,175	282,421	299,596
2023	16,218	864,872	881,090
2024	14,313	868,482	882,795
2025	-	908,668	908,668
2026 and thereafter	<u>-</u>	<u>7,229,338</u>	<u>7,229,338</u>
	60,952	<u>\$10,303,720</u>	<u>\$10,364,672</u>
Less amount representing interest	<u>(7,533)</u>		
	<u>\$53,419</u>		

Rent expense was \$481,619 and \$472,917 for the years ended September 30, 2020 and 2019, respectively.

In June 2020, the Organization entered into a lease agreement for new office space as its current lease ends on December 31, 2020. In lieu of a security deposit, the lease required a letter of credit

THE BECKET FUND
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NOTE 13 - LEASE AND OTHER COMMITMENTS (CONTINUED)

for \$275,521 which is secured by a money market account.

NOTE 14 - FUNCTIONAL EXPENSES

The functional allocation of expenses for the year ended September 30, 2020 is as follows:

	Program services	Supporting Services		Total
		General and administrative	Fundraising	
Payroll and benefits	\$ 4,441,354	\$ 206,885	\$ 500,320	\$ 5,148,559
Rent	421,468	17,604	43,062	482,134
Litigation support	265,602	-	-	265,602
Communications	205,255	13,397	18,105	236,757
Travel and related	94,060	84,588	30,046	208,694
Professional fees	165,659	9,957	28,230	203,846
Research and special projects	175,722	-	-	175,722
Depreciation and amortization	92,834	4,254	10,407	107,495
Office expenses	83,762	3,839	9,390	96,991
Information technology	54,610	25,758	12,410	92,778
Subcontractor expense	54,917	9,808	-	64,725
Insurance	45,528	2,086	5,104	52,718
Conferences and events	8,028	13,219	14,413	35,660
Public relations	4,369	9,468	20,409	34,246
Postage and delivery	21,512	986	2,411	24,909
Printing and reproduction	17,627	808	1,976	20,411
Books and subscriptions	7,912	95		8,007
Interest	3,298	151	370	3,819
Donations	-	-	300	300
	<u>\$ 6,163,517</u>	<u>\$ 402,903</u>	<u>\$ 696,953</u>	<u>\$ 7,263,373</u>

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

	Program services	Supporting Services		Cost of direct benefit to donors	Total
		General and administrative	Fundraising		
Payroll and benefits	\$ 3,767,099	\$ 159,997	\$ 384,559	\$ -	\$ 4,311,655
Rent	408,736	26,939	37,242	-	472,917
Litigation support	154,468	-	-	-	154,468
Communications	135,319	8,919	12,330	-	156,568
Travel and related	232,118	15,299	21,150	-	268,567
Professional fees	147,080	10,492	13,391	-	170,963
Research and special projects	97,497	-	-	-	97,497

THE BECKET FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 14 - FUNCTIONAL EXPENSES (CONTINUED)

	Program services	Supporting Services		Cost of direct benefit to donors	Total
		General and administrative	Fundraising		
Depreciation and amortization	107,548	7,088	9,799	-	124,435
Office expenses	82,411	5,433	7,509	-	95,353
Information technology	-	90,119	-	-	90,119
Subcontractor expense	71,583	-	-	-	71,583
Insurance	35,812	2,182	3,017	-	41,011
Conferences and events	-	-	272,603	197,610	470,213
Public relations	73,107	-	-	-	73,107
Postage and delivery	20,066	1,323	1,828	-	23,217
Printing and reproduction	13,450	886	1,226	-	15,562
Books and subscriptions	1,019	67	93	-	1,179
Interest	-	1,137	-	-	1,137
	<u>5,347,313</u>	<u>329,881</u>	<u>764,747</u>	<u>197,610</u>	<u>6,639,551</u>
Less expenses included with support and revenues on the statements of activities	-	-	-	(197,610)	(197,610)
	<u>\$ 5,347,313</u>	<u>\$ 329,881</u>	<u>\$ 764,747</u>	<u>\$ -</u>	<u>\$ 6,441,941</u>