

CATHOLIC LEADERSHIP INSTITUTE
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2019 AND 2018



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**CATHOLIC LEADERSHIP INSTITUTE
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YEARS ENDED JUNE 30, 2019 AND 2018**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Catholic Leadership Institute
Wayne, Pennsylvania

We have audited the accompanying financial statements of Catholic Leadership Institute (a nonprofit organization) which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, 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 audits 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.

Board of Directors
Catholic Leadership Institute

Opinion

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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the organization adopted Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
September 26, 2019

**CATHOLIC LEADERSHIP INSTITUTE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018**

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 5,152,432	\$ 3,561,595
Accounts Receivable, Net	72,002	50,170
Pledges Receivable, Net	477,740	463,867
Grants Receivable	150,000	-
Prepaid Expenses	86,730	66,001
Total Current Assets	5,938,904	4,141,633
PLEDGES RECEIVABLE, NET OF ALLOWANCE AND DISCOUNT	515,185	542,568
EQUIPMENT	269	1,348
Total Assets	\$ 6,454,358	\$ 4,685,549
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 70,773	\$ 37,293
Accrued Expenses	146,036	113,417
Deferred Revenue and Other Liabilities	276,653	176,695
Total Liabilities	493,462	327,405
NET ASSETS		
Without Donor Restrictions	2,410,214	1,789,280
With Donor Restrictions	3,550,682	2,568,864
Total Net Assets	5,960,896	4,358,144
Total Liabilities and Net Assets	\$ 6,454,358	\$ 4,685,549

See accompanying Notes to Financial Statements.

**CATHOLIC LEADERSHIP INSTITUTE
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Participant Fees, Net of Scholarships	\$ 1,734,485	\$ -	\$ 1,734,485	\$ 1,940,087	\$ -	\$ 1,940,087
Contributions	1,294,788	2,584,645	3,879,433	724,066	2,087,062	2,811,128
Investment and Other Income	62,782	-	62,782	10,742	-	10,742
Net Assets Released from Restrictions	1,602,827	(1,602,827)	-	1,881,774	(1,881,774)	-
Total Support and Revenue	<u>4,694,882</u>	<u>981,818</u>	<u>5,676,700</u>	<u>4,556,669</u>	<u>205,288</u>	<u>4,761,957</u>
EXPENSES						
Program Services	2,522,024	-	2,522,024	2,572,429	-	2,572,429
Management and General	479,715	-	479,715	436,226	-	436,226
Fundraising	1,072,209	-	1,072,209	948,077	-	948,077
Total Expenses	<u>4,073,948</u>	<u>-</u>	<u>4,073,948</u>	<u>3,956,732</u>	<u>-</u>	<u>3,956,732</u>
CHANGE IN NET ASSETS	620,934	981,818	1,602,752	599,937	205,288	805,225
Net Assets - Beginning of Year	<u>1,789,280</u>	<u>2,568,864</u>	<u>4,358,144</u>	<u>1,189,343</u>	<u>2,363,576</u>	<u>3,552,919</u>
NET ASSETS - END OF YEAR	<u>\$ 2,410,214</u>	<u>\$ 3,550,682</u>	<u>\$ 5,960,896</u>	<u>\$ 1,789,280</u>	<u>\$ 2,568,864</u>	<u>\$ 4,358,144</u>

See accompanying Notes to Financial Statements.

**CATHOLIC LEADERSHIP INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Payroll	\$ 1,267,347	\$ 308,062	\$ 671,115	\$ 2,246,524
Payroll Taxes	101,474	22,866	50,616	174,956
Employee Benefits	111,730	41,179	34,323	187,232
Insurance	-	25,641	-	25,641
Program Expenses	69,016	-	-	69,016
Program Materials	331,616	-	-	331,616
Program Development/Quality	74,682	-	-	74,682
Bishops Program	81,480	-	-	81,480
Staff Training	37,398	2,423	5,591	45,412
Travel	292,554	-	69,765	362,319
Technology	24,530	-	24,455	48,985
Communications and Stewardship	-	-	125,875	125,875
Administrative	-	40,340	-	40,340
Bad Debt Expense (Recovery)	(24,597)	(6,017)	(13,886)	(44,500)
Office and General	9,623	2,812	6,488	18,923
Supplies	25,346	7,404	17,087	49,837
Professional Fees	50,202	14,666	33,844	98,712
Rent	69,074	20,179	46,566	135,819
Depreciation	549	160	370	1,079
	<u>549</u>	<u>160</u>	<u>370</u>	<u>1,079</u>
Total	<u>\$ 2,522,024</u>	<u>\$ 479,715</u>	<u>\$ 1,072,209</u>	<u>\$ 4,073,948</u>

See accompanying Notes to Financial Statements.

**CATHOLIC LEADERSHIP INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Payroll	\$ 1,157,295	\$ 260,572	\$ 506,219	\$ 1,924,086
Payroll Taxes	96,128	20,170	39,895	156,193
Employee Benefits	102,489	47,244	31,867	181,600
Insurance	-	29,002	-	29,002
Program Expenses	83,252	-	-	83,252
Program Materials	454,205	-	-	454,205
Program Development/Quality	15,690	-	-	15,690
Bishop's Program	89,184	-	-	89,184
Staff Training	48,522	1,584	3,020	53,126
Travel	295,428	-	57,378	352,806
Technology	24,529	-	21,815	46,344
Communications and Stewardship	-	-	177,872	177,872
Administrative	-	19,965	-	19,965
Bad Debt Expense (Recovery)	25,124	7,267	13,857	46,248
Office and General	10,796	3,014	5,748	19,558
Supplies	15,573	4,348	8,292	28,213
Professional Fees	70,218	19,607	37,389	127,214
Rent	82,021	22,902	43,673	148,596
Depreciation	1,975	551	1,052	3,578
	<u>\$ 2,572,429</u>	<u>\$ 436,226</u>	<u>\$ 948,077</u>	<u>\$ 3,956,732</u>
Total	<u>\$ 2,572,429</u>	<u>\$ 436,226</u>	<u>\$ 948,077</u>	<u>\$ 3,956,732</u>

See accompanying Notes to Financial Statements.

**CATHOLIC LEADERSHIP INSTITUTE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,602,752	\$ 805,225
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,079	3,578
Bad Debt Expense (Recovery)	(44,500)	46,248
(Increase) Decrease in Assets:		
Accounts Receivable	(21,832)	(2,612)
Pledges Receivable	58,010	582,855
Grants Receivable	(150,000)	91,898
Prepaid Expenses	(20,729)	(18,635)
Increase (Decrease) in Liabilities:		
Accounts Payable	33,480	(15,046)
Accrued Expenses	32,619	(2,407)
Deferred Revenue	99,958	83,918
Net Cash Provided by Operating Activities	1,590,837	1,575,022
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,590,837	1,575,022
Cash and Cash Equivalents - Beginning of Year	3,561,595	1,986,573
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,152,432	\$ 3,561,595

See accompanying Notes to Financial Statements.

**CATHOLIC LEADERSHIP INSTITUTE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Catholic Leadership Institute (the Institute) is a nonprofit corporation organized in 1991 under the Commonwealth of Pennsylvania nonprofit laws. The Institute provides bishops, priests, deacons, and laity in the Roman Catholic Church with world-class, pastoral, leadership formation, and consulting services that strengthen their confidence and competence in ministry, enabling them to articulate a vision for their local church, to call forth the gifts of those they lead, and to create more vibrant faith communities rooted in Jesus Christ. The Institute offers multi-day, multi-year leadership formation and consulting services in over 120 dioceses throughout the United States and Canada. Programs and initiatives include the following:

Next Generation Parish: This is a four-year pilot program with a cohort of six parishes within a diocese which accompanies pastors, religious, and lay leaders in defining models of the next generation parish for today and the future.

Custom Training: Customized training or planning solution to meet the needs of the diocese or parish. This may include the Disciple Maker Index survey which measures, tracks, and draws correlations among 75 factors that influence the spiritual development of the parish.

Consulting: Consulting services are unique and varied and are structured to facilitate strong, collaborative relationships between key staff and team members. These services emphasize a common vision for future ministry, respectful communication, and unified support for accompanying decisions.

Standard Training: Leadership formation and skill building training for priests, bishops, religious, lay leaders, and seminarians.

Bishops Training: Annual training offered to bishops on relevant topics providing skill building and coaching as they envision a strong future for their local churches and respond to the leadership challenges they encounter.

Called for More: A new service to revolutionize the way we prepare, support, and develop priests for transitions to new assignments with a comprehensive decision platform that transforms priest placement.

Classification of Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

CATHOLIC LEADERSHIP INSTITUTE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Net Assets (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Institute had no net assets held in perpetuity or board designated net assets as of June 30, 2019 and 2018.

Contributions With Donor Restrictions and Without Donor Restrictions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions received are recorded as increases in net assets with or without restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose of restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

Contributed assets are valued at the fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Absent donor stipulations regarding how long those donated assets must be maintained, The Institute reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Institute reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Cash and Cash Equivalents

For purposes of reporting cash flows, The Institute considers all highly liquid debt instruments with an initial maturity of one year or less and any money market fund that invests in government or corporate securities to be cash equivalents. Bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in bank may exceed FDIC insurable limits. The Institute has not experienced any losses in these accounts.

**CATHOLIC LEADERSHIP INSTITUTE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Program revenues include all amounts that are billed or are billable to contracts for training programs and consulting services. Revenues are recognized as services are performed based on the terms of the contract. The Institute provides an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. Accounts receivable are individually analyzed for collectability and when all collection possibilities are exhausted or the receivable is greater than 180 days and the client has not communicated a revised payment date in agreement with management, the accounts are written off against the allowance. The allowance was \$6,000 and \$10,000 at June 30, 2019 and 2018, respectively.

Pledges Receivable

Pledges receivable are recorded as with donor restrictions or without donor restrictions based on the presence or absence of donor-imposed restrictions. Pledges to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. An allowance for uncollectible pledge receivables is provided based upon management's judgment, including such factors as collection history, type of pledge, and nature of fund-raising activity. Pledge payments are individually analyzed for collectability. Pledge payments lapsed 90 days from expected payment date on an account with no activity in over 12 months are written off against the allowance when all collection possibilities have been exhausted and the donor has not communicated a revised payment date in agreement with management. The allowance was \$71,301 and \$139,801 as of June 30, 2019 and 2018, respectively.

In addition, as of June 30, 2019, the Institute has promises to give totaling \$2,680,186 that do not meet the criteria for recognition and are not included in the accompanying financial statements. These promises to give are subject to conditions which have not been met as of June 30, 2019.

Equipment

Acquisitions of equipment in excess of \$2,500 are capitalized. Equipment is carried at cost, less accumulated depreciation. Depreciation of equipment is computed using the straight-line method over the estimated useful asset lives between three and five years. Expenditures for repairs and maintenance are charged to expense as incurred, while major renewals and betterments are capitalized.

Deferred Revenue

Revenues from certain fixed price agreements are recognized on the percentage of completion method, measured on the basis of efforts expended method. This method is used because management considers it to be the best available measure of progress on these agreements. Revenues are deferred when it is determined that actual extent of progress towards completion is less than estimated extent of progress for a specific agreement.

**CATHOLIC LEADERSHIP INSTITUTE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Rent

Rent expense is recognized on a straight-line basis over the life of the lease. The difference between the rent expense recognized and rental payments as stipulated in the lease is reflected as deferred rent and is included in accrued expenses on the statements of financial position at June 30, 2019 and 2018.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Institute. The Institute received donated services in the amount of \$34,044 and \$39,345 for the years ending June 30, 2019 and 2018, respectively, which consisted of waived royalty fees on the use of training materials.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. The financial statements report certain categories of expenses that are attributable to one or more areas of the organization. Those expenses include staff training, technology, postage, phone, office equipment, depreciation, rent, professional fees, and supplies. These costs are allocated based on the full-time equivalent staff (FTE's) for each of the areas: Program, fundraising, and management and general.

Income Taxes

The Institute is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been made in the accompanying financial statements.

The Institute follows the income tax standard for uncertain tax positions. This standard has no impact on Catholic Leadership Institute's financial statements. The Institute has not been audited by any taxing authority in recent years. Therefore, all years are subject to examination by the Internal Revenue Service in the event that the Institute's tax-exempt status is challenged.

Use of Estimates

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

**CATHOLIC LEADERSHIP INSTITUTE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in Accounting Principle

In the fiscal year ended June 30, 2019, the Institute adopted FASB ASU No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The standard requires the Institute to reclassify its net assets (i.e., unrestricted, temporarily restricted, and permanently restricted) into two categories, net assets without donor restrictions and net assets with donor restrictions, among other requirements. With the exception of the disclosure on liquidity, these changes were applied retrospectively to ensure comparability with the prior year presented.

Reclassifications

Certain 2018 amounts have been reclassified to conform to current year presentation. The reclassifications had no impact on previously reported net assets.

Subsequent Events

In preparing these financial statements, the Institute has evaluated events and transactions for potential recognition or disclosure through September 26, 2019, the date the financial statements were available to be issued.

NOTE 2 PLEDGES RECEIVABLE

Pledges that are expected to be collected are recorded at their net realizable value. As of June 30, pledges receivable consisted of:

	2019	2018
Current:		
Unrestricted Pledges Receivable	\$ 187,455	\$ 123,577
Less: Allowance for Doubtful Accounts	(11,756)	(33,833)
Net Current Unrestricted Pledges Receivable	\$ 175,699	\$ 89,744
Restricted Pledges Receivable	\$ 322,250	\$ 402,924
Less: Allowance for Doubtful Accounts	(20,209)	(28,801)
Net Current Restricted Pledges Receivable	\$ 302,041	\$ 374,123
Long-Term:		
Unrestricted Pledges Receivable	\$ 346,000	\$ 473,815
Less: Allowance for Doubtful Accounts	(21,698)	(58,868)
Less: Present Value Discount	(45,400)	(84,755)
Net Long-Term Unrestricted Pledges Receivable	\$ 278,902	\$ 330,192
Restricted Pledges Receivable	\$ 281,251	\$ 256,000
Less: Allowance for Doubtful Accounts	(17,638)	(18,299)
Less: Present Value Discount	(27,330)	(25,325)
Net Long-Term Restricted Pledges Receivable	\$ 236,283	\$ 212,376

**CATHOLIC LEADERSHIP INSTITUTE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 2 PLEDGES RECEIVABLE (CONTINUED)

Pledges receivable as of June 30, 2019 are due to be collected as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 509,705
2021	177,500
2022	142,500
2023	177,000
2024	59,250
Thereafter	71,000
Total	<u>\$ 1,136,955</u>

As of June 30, 2019 and 2018, included in the above pledges are \$196,140 and \$217,000, respectively, from current board members and employees.

NOTE 3 EQUIPMENT

Equipment at June 30 consists of the following:

	<u>2019</u>	<u>2018</u>
Furniture and Fixtures	\$ 56,307	\$ 56,307
Computer Equipment	79,871	79,871
Total	<u>136,178</u>	<u>136,178</u>
Less: Accumulated Depreciation	135,909	134,830
Total Equipment	<u>\$ 269</u>	<u>\$ 1,348</u>

Depreciation expense for the years ended June 30, 2019 and 2018 was \$1,079 and \$3,578, respectively.

NOTE 4 LINE OF CREDIT

Catholic Leadership Institute had an available line of credit in the amount of \$500,000 as of June 30, 2019. This line of credit is secured by the assets of Catholic Leadership Institute. Interest on this line is charged at 1% above the prime lending rate (6.25% at June 30, 2019). There was no outstanding balance on the line of credit at June 30, 2019 and 2018, nor has the Institute drawn down funds during the years ended June 30, 2019 and 2018. This line is subject to renewal on February 1, 2020.

**CATHOLIC LEADERSHIP INSTITUTE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods.

	<u>2019</u>	<u>2018</u>
Subject to Expenditure for Specific Purpose:		
Program Activities:		
Next Generation Parish	\$ 1,726,239	\$ 954,910
Custom Training	273,633	1,119,848
Standard Training	27,584	5,230
Called for More	966,629	-
Bishops Training	48,498	-
Total	<u>3,042,583</u>	<u>2,079,988</u>
Development Activities:		
New Initiatives	46,808	50,040
Technology	6,690	18,901
Total	<u>53,498</u>	<u>68,941</u>
Subject to the Passage of Time:		
For Periods after June 30, 2019	454,601	419,935
Total	<u>454,601</u>	<u>419,935</u>
Total Net Assets with Donor Restrictions	<u>\$ 3,550,682</u>	<u>\$ 2,568,864</u>

NOTE 6 OPERATING LEASES

Catholic Leadership Institute leases office space and equipment under separate operating lease agreements. The office space agreement was a four-year lease beginning in April 2010, has been extended to December 2019 and calls for annual increases in the base rent. The office equipment leases are five-year leases which continue through fiscal 2023. The total rent expense from space rentals and equipment amounted to \$141,851 and \$154,190 for the years ended June 30, 2019 and 2018, respectively.

The following is a schedule of minimum future rental payments as of June 30, 2019 required under the operating leases:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 81,149
2021	1,244
2022	584
2023	584
Total	<u>\$ 83,561</u>

**CATHOLIC LEADERSHIP INSTITUTE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 6 OPERATING LEASES (CONTINUED)

Subsequent to June 30, 2019, Catholic Leadership Institute signed a seven-year office space lease beginning December 2019 that calls for annual increases in the base rent. The lease included five months' rent abatement. Below are the future lease payments:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 15,082
2021	123,401
2022	125,752
2023	128,102
2024	129,278
Thereafter	395,080
Total	<u>\$ 916,695</u>

NOTE 7 LIQUIDITY

Catholic Leadership Institute's financial assets available for general expenditure within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	\$ 5,152,432
Accounts Receivable, Net	72,002
Current Pledges Receivable, Net of Allowance	477,740
Grants Receivable	150,000
Net Assets With Donor Restrictions	<u>(3,550,682)</u>
Total	<u>\$ 2,301,492</u>

The Institute has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet three months of normal operating expenses, which are, on average, approximately \$375,000/month. As part of its liquidity management, the Institute invests in various short-term investments including corporate or government money market mutual funds. As more fully described in Note 4, the Institute also has a committed line of credit in the amount of \$500,000 which it could draw upon in the event of an unanticipated liquidity need.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor. | CliftonLarsonAllen LLP

