



CPAs SERVING CLIENTS SINCE 1947

**LEADERSHIP ROUNDTABLE, INC.**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 2020 AND 2019**

**MATTHEWS, CARTER & BOYCE**  
RESPECT. CONFIDENCE. TRUST.

**LEADERSHIP ROUNDTABLE, INC.**

**TABLE OF CONTENTS**

**DECEMBER 31, 2020 AND 2019**

	Page
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3-4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-16



Independent Auditors' Report

Board of Directors  
Leadership Roundtable, Inc.  
Washington, D.C.

We have audited the accompanying financial statements of Leadership Roundtable, Inc., which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, 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 auditors consider 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 Leadership Roundtable, Inc. as of December 31, 2020 and 2019, 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.

Fairfax, Virginia  
April 6, 2021

**LEADERSHIP ROUNDTABLE, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2020 AND 2019**

<b>ASSETS</b>	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,396,825	\$ 1,793,839
Investments	-	24,976
Accounts receivable, net	84,066	11,548
Grants receivable, current portion	125,000	75,000
Prepaid expenses	16,866	24,162
Deposits	-	5,000
	<u>                    </u>	<u>                    </u>
Total Current Assets	<u>\$ 1,622,757</u>	<u>\$ 1,934,525</u>
<b>OTHER ASSETS</b>		
Grants receivable, net of current portion	<u>\$ 100,000</u>	<u>\$ 75,000</u>
<b>PROPERTY AND EQUIPMENT, at cost</b>		
Furniture and fixtures	\$ 5,555	\$ 5,555
Computer equipment	19,849	17,249
	<u>                    </u>	<u>                    </u>
Total Property and Equipment	\$ 25,404	\$ 22,804
Less, Accumulated depreciation	<u>(18,897)</u>	<u>(16,477)</u>
	<u>                    </u>	<u>                    </u>
Property and Equipment, Net	<u>\$ 6,507</u>	<u>\$ 6,327</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,729,264</u></u>	<u><u>\$ 2,015,852</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 107,719	\$ 83,870
Deferred revenue	53,645	55,925
	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES</b>	<u>\$ 161,364</u>	<u>\$ 139,795</u>
<b>NET ASSETS</b>		
Without donor restrictions	\$ 701,520	\$ 39,634
With donor restrictions	866,380	1,836,423
	<u>                    </u>	<u>                    </u>
Total Net Assets	<u>\$ 1,567,900</u>	<u>\$ 1,876,057</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,729,264</u></u>	<u><u>\$ 2,015,852</u></u>

The accompanying notes are an integral part of these financial statements.

**LEADERSHIP ROUNDTABLE, INC.**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>			
Grants, contributions and sponsorships	\$ 1,274,054	\$ 243,200	\$ 1,517,254
Program service revenue	752,813	-	752,813
Publication sales	2,607	-	2,607
Other income	3,550	-	3,550
Net assets released from restrictions:			
Satisfaction of program restrictions	1,213,243	(1,213,243)	-
Total Revenue	\$ 3,246,267	\$ (970,043)	\$ 2,276,224
<b>EXPENSES</b>			
Program Services:			
Roundtable programs	\$ 1,927,369	\$ -	\$ 1,927,369
Total Program Services	\$ 1,927,369	\$ -	\$ 1,927,369
Supporting Services:			
General and administrative	\$ 216,691	\$ -	\$ 216,691
Fundraising	440,321	-	440,321
Total Supporting Services	\$ 657,012	\$ -	\$ 657,012
Total Expenses	\$ 2,584,381	\$ -	\$ 2,584,381
<b>CHANGE IN NET ASSETS</b>	\$ 661,886	\$ (970,043)	\$ (308,157)
<b>NET ASSETS, BEGINNING OF YEAR</b>	39,634	1,836,423	1,876,057
<b>NET ASSETS, END OF YEAR</b>	\$ 701,520	\$ 866,380	\$ 1,567,900

The accompanying notes are an integral part of these financial statements.

**LEADERSHIP ROUNDTABLE, INC.**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>			
Grants, contributions and sponsorships	\$ 1,102,123	\$ 214,976	\$ 1,317,099
Program service revenue	731,127	-	731,127
Publication sales	4,388	-	4,388
Other income	1,260	-	1,260
Net assets released from restrictions:			
Satisfaction of program restrictions	662,175	(662,175)	-
Total Revenue	\$ 2,501,073	\$ (447,199)	\$ 2,053,874
<b>EXPENSES</b>			
Program Services:			
Roundtable programs	\$ 1,971,079	\$ -	\$ 1,971,079
Total Program Services	\$ 1,971,079	\$ -	\$ 1,971,079
Supporting Services:			
General and administrative	\$ 209,953	\$ -	\$ 209,953
Fundraising	463,933	-	463,933
Total Supporting Services	\$ 673,886	\$ -	\$ 673,886
Total Expenses	\$ 2,644,965	\$ -	\$ 2,644,965
<b>CHANGE IN NET ASSETS</b>	\$ (143,892)	\$ (447,199)	\$ (591,091)
<b>NET ASSETS, BEGINNING OF YEAR</b>	183,526	2,283,622	2,467,148
<b>NET ASSETS, END OF YEAR</b>	\$ 39,634	\$ 1,836,423	\$ 1,876,057

The accompanying notes are an integral part of these financial statements.

**LEADERSHIP ROUNDTABLE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Roundtable Programs	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries, benefits and taxes	\$ 1,374,578	\$ 106,578	\$ 190,766	\$ 1,671,922
Depreciation	-	2,420	-	2,420
Events	104,565	-	152,467	257,032
Information technology	12,665	2,662	9,715	25,042
Insurance	-	3,581	-	3,581
Marketing	2,071	299	-	2,370
Meals, travel and lodging	25,571	798	19,717	46,086
Miscellaneous	5,215	5,814	3,128	14,157
Postage/mailing	615	966	2,177	3,758
Printing/copying	15,806	131	3,046	18,983
Professional services	369,794	47,452	59,305	476,551
Rent	1,648	38,235	-	39,883
Supplies	900	4,794	-	5,694
Telephone/communications	13,941	2,961	-	16,902
	<u>\$ 1,927,369</u>	<u>\$ 216,691</u>	<u>\$ 440,321</u>	<u>\$ 2,584,381</u>
Total Expenses				

The accompanying notes are an integral part of these financial statements.

**LEADERSHIP ROUNDTABLE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Roundtable Programs	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries, benefits and taxes	\$ 1,248,598	\$ 103,878	\$ 263,362	\$ 1,615,838
Depreciation	-	2,496	-	2,496
Events	134,766	-	11,183	145,949
Information technology	13,198	3,899	13,674	30,771
Insurance	-	1,584	-	1,584
Marketing	132	819	25	976
Meals, travel and lodging	63,770	24,772	43,300	131,842
Miscellaneous	13,969	3,710	4,609	22,288
Photography	-	53	-	53
Postage/mailing	4,508	1,512	14,177	20,197
Printing/copying	31,756	1,389	15,074	48,219
Professional services	452,409	25,007	98,515	575,931
Rent	1,448	30,108	-	31,556
Supplies	2,536	7,419	-	9,955
Telephone/communications	3,989	3,307	14	7,310
Total Expenses	<u>\$ 1,971,079</u>	<u>\$ 209,953</u>	<u>\$ 463,933</u>	<u>\$ 2,644,965</u>

The accompanying notes are an integral part of these financial statements.



**LEADERSHIP ROUNDTABLE, INC.**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS - OPERATING ACTIVITIES</b>		
Change in net assets	\$ (308,157)	\$ (591,091)
Adjustments to reconcile change in net assets to net cash flows - operating activities:		
Depreciation	2,420	2,496
Realized and unrealized (gain)/loss on investments	(2,707)	1,329
Donated investments received	(76,779)	(50,149)
Sales of donated investments	104,462	23,844
(Increase) Decrease In:		
Accounts receivable	(72,518)	80,515
Grants receivable	(75,000)	950,000
Prepaid expenses	7,296	62,375
Deposits	5,000	-
Increase (Decrease) In:		
Accounts payable and accrued expenses	23,849	3,416
Deferred revenue	(2,280)	3,164
<b>Net Cash Flows - Operating Activities</b>	<b>\$ (394,414)</b>	<b>\$ 485,899</b>
<b>CASH FLOWS - INVESTING ACTIVITIES</b>		
Purchase of computer equipment	\$ (2,600)	\$ -
<b>Net Cash Flows - Investing Activities</b>	<b>\$ (2,600)</b>	<b>\$ -</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>\$ (397,014)</b>	<b>\$ 485,899</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>1,793,839</b>	<b>1,307,940</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,396,825</b>	<b>\$ 1,793,839</b>

There was no non-cash investing or financing activity during 2020 or 2019.

The accompanying notes are an integral part of these financial statements.

# LEADERSHIP ROUNDTABLE, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### Note 1. Organization

The Leadership Roundtable, Inc., formerly the National Leadership Roundtable on Church Management, (the Organization) is a nonprofit corporation established to engage in educational, religious and charitable activities, including without limitation, to promote excellence and best practices in the management, finance and human resources of the United States Catholic Church by utilizing relevant expertise of lay persons; and to engage in other charitable, religious and educational activities.

The Organization began operations in 2005.

### Note 2. Summary of Significant Accounting Policies

#### Basis of Presentation

Financial statement presentation adheres to the requirements of the Financial Accounting Standards Board (FASB) ASC 958-205, *Presentation of Financial Statements for Not-for-Profit Entities*. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

The financial statements are presented using the accrual method of accounting. Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets are transferred to the Organization. Expenses are reported when costs are incurred. Net assets represent the cumulative balance of the operations of the Organization from its inception.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit in a checking account and a money market account.

#### Accounts Receivable

Accounts receivable are stated at the amount the Organization expects to collect from outstanding balances. Management provides for probable uncollectable amounts through a provision for bad debt expense and an adjustment to a valuation allowance. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. No allowance for doubtful accounts was recorded as of December 31, 2020 or 2019.

#### Grants Receivable

Grants receivable are recorded as revenue when the grant is received by the Organization and are recorded at their net realizable value. Long-term grants are discounted to their present value. No discount has been recorded on the grant receivable as it was determined to be immaterial. Accounts past due over 90 days are analyzed for collectability, and when all collection efforts have been exhausted the account is written off to bad debt expense. Management estimates that all grants are fully collectable at year end. Therefore, no allowance for doubtful accounts has been recognized.

# LEADERSHIP ROUNDTABLE, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### Note 2. Summary of Significant Accounting Policies (Continued)

#### Grants Receivable (Concluded)

Grants receivable for 2020 and 2019 consist of the following:

	2020	2019
Amount due in one year	\$ 125,000	\$ 75,000
Amount due in two to five years	100,000	75,000
Total Grants Receivable	\$ 225,000	\$ 150,000
Less, discount to present value	-	-
Net Grants Receivable	<u>\$ 225,000</u>	<u>\$ 150,000</u>

#### Fair Value Measurements

In accordance with accounting principles generally accepted in the United States of America ("GAAP"), the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the statement of financial position are categorized based on the inputs to valuation techniques as follows:

- Level 1 – Inputs to the valuation methodology are quoted in an active market or exchange for identical assets and liabilities.
- Level 2 – Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for assets and liabilities or other market corroborated inputs.
- Level 3 – Significant unobservable inputs based on the best information available in the circumstances to the extent observable inputs are not available, which may include assumptions made by the Board of Directors or persons acting at their direction that are used in determining the fair market value of the asset or liability.

The Organization's investments are comprised of exchange traded stocks and mutual funds. These investments have been valued using Level 1 inputs. Net realized and unrealized gains and losses on securities are included as increases or decreases in net assets.

#### Property and Equipment

The Organization records its property and equipment at cost with a unit capitalization threshold of \$2,500. Depreciation of fixed assets is computed using the straight-line method, based on the estimated useful lives of 5-7 years or, in the case of leasehold improvements, over the lease term.

# LEADERSHIP ROUNDTABLE, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### Note 2. Summary of Significant Accounting Policies (Continued)

#### Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. There was no unrelated business taxable income during the years ended December 31, 2020 or 2019.

The Organization files its information tax returns for Federal purposes. The Organization is not under audit by any income tax jurisdiction.

The Organization has determined that it currently does not have any uncertain tax positions. If this position changes, the Organization will assess the impact of any such matters on its statement of financial position and its results of operations.

#### Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and nature of donor restrictions. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as an increase in net assets with donor restrictions. When a donor 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 statement of activities as net assets released from restriction. If the restriction is fulfilled in the same time period in which the contribution is received, it may be classified as an increase in net assets without donor restrictions; however, the Organization will generally report these amounts initially as an increase in net assets with donor restrictions and show their release to net assets without donor restrictions when the restrictions are satisfied. Net assets with donor restrictions were \$866,380 and \$1,836,423 as of December 31, 2020 and 2019, respectively.

The Organization reports gifts of equipment as unrestricted support unless explicit stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of restrictions when the assets are placed in service.

Summit registration revenue is recognized in the year in which the summit takes place. Any registration receipts for summits taking place in future years are recorded as deferred revenue.

Donated investments are reflected in the accompanying financial statements at their estimated fair values at the date of donation.

The net assets without donor restrictions represent funds that are available for the support of the Organization's operations.

# LEADERSHIP ROUNDTABLE, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### Note 2. Summary of Significant Accounting Policies (Concluded)

#### Functional Allocation of Expenses

The costs of providing various programs and other activities of the Organization have been summarized on a functional basis in the accompanying financial statements. Costs that can be identified with a particular program or support function are charged directly to that program or function. Salaries and related costs have been allocated among the programs and supporting services based upon management's best estimates of the proportion of these costs applicable to each program. Other allocable costs have been allocated to program services and to management and general and fundraising based upon management's best estimates.

#### Use of Estimates

The preparation of financial statements in conformity with GAAP 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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Organization had no contingent assets or liabilities as of December 31, 2020 or 2019.

#### New Accounting Pronouncements

In August 2016, FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments*. This guidance is intended to reduce the diversity in practice in how certain transactions are classified in the statement of cash flows. In addition, in November 2016, FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash*. This ASU provides additional guidance related to transfers between cash and restricted cash and how entities present, in their statements of cash flows, the cash receipts and cash payments that directly affect the restricted cash accounts. The Organization adopted these provisions in 2019 and there was no change to the presentation of the financial statements due to the adoption of these provisions.

FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. The Organization adopted Topic 606 in 2019. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization adopted the provisions of ASU 2018-08 applicable to both grants and contributions received and to grants and contributions in 2019. There was no effect on net assets in connection with the implementation of ASU 2018-08.

Management believes that the presentation and disclosure of cash and revenue have been enhanced in accordance with the above standards.

# LEADERSHIP ROUNDTABLE, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### Note 3. Investments at Fair Value

The Organization held no investments as of December 31, 2020.

The table below presents the Organization's investments measured at fair value as of December 31, 2019.

	<u>Cost</u>	<u>Unrealized Appreciation</u>	<u>Fair Market Value</u>
Stocks	\$ 24,976	\$ -	\$ 24,976
Total	<u>\$ 24,976</u>	<u>\$ -</u>	<u>\$ 24,976</u>

All of the Organization's investment values are quoted in an active market or exchange for identical assets (Level 1).

The Organization did not have any fair value measurements using significant other observable inputs (Level 2) or significant unobservable inputs (Level 3) as of December 31, 2020 or 2019.

The Organization's investment return was comprised of a realized/unrealized gain/(loss) in the amount of \$2,707 and \$(1,329) for the year ended December 31, 2020 and 2019, respectively.

### Note 4. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date as of 2020 and 2019, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 528,679	\$ 107,416
Investments	-	24,976
Accounts and grants receivable	<u>209,066</u>	<u>86,548</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 737,745</u>	<u>\$ 218,940</u>

**LEADERSHIP ROUNDTABLE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020 AND 2019**

**Note 5. Net Assets with Donor Restrictions**

Net assets with donor restrictions and the amounts that were released from restrictions at December 31, 2020 and 2019 are comprised of the following programs:

**2020:**

<u>Program</u>	<u>Balance 12/31/19</u>	<u>Revenue/ Contributions</u>	<u>Released</u>	<u>Balance 12/31/20</u>
Purpose restrictions:				
Convening of Bishops	\$ 10,000	\$ -	\$ (10,000)	\$ -
Lynch Foundation	77,500	50,000	(102,500)	25,000
Lilly Mission Management	702,667	-	(504,593)	198,074
Lilly Latino	883,436	-	(240,130)	643,306
Impact Measurement	7,844	-	(7,844)	-
Summit 2020 Contributions	154,976	-	(154,976)	-
COVID-19 Operating Costs	-	193,200	(193,200)	-
Total	<u>\$ 1,836,423</u>	<u>\$ 243,200</u>	<u>\$ (1,213,243)</u>	<u>\$ 866,380</u>

**2019:**

<u>Program</u>	<u>Balance 12/31/18</u>	<u>Revenue/ Contributions</u>	<u>Released</u>	<u>Balance 12/31/19</u>
Purpose restrictions:				
Cushman 6 Stage	\$ 50,000	\$ -	\$ (50,000)	\$ -
Convening of Bishops	-	10,000	-	10,000
Lynch Foundation	50,000	50,000	(22,500)	77,500
Triad Fellow Grant	5,000	-	(5,000)	-
Lilly Mission Management	1,000,000	-	(297,333)	702,667
Lilly Latino	1,000,000	-	(116,564)	883,436
Impact Measurement	45,000	-	(37,156)	7,844
Summit 2020 Contributions	125,000	154,976	(125,000)	154,976
Capacity Building/Financial Literacy	8,622	-	(8,622)	-
Total	<u>\$ 2,283,622</u>	<u>\$ 214,976</u>	<u>\$ (662,175)</u>	<u>\$ 1,836,423</u>

# LEADERSHIP ROUNDTABLE, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### Note 6. Lease Commitments

The Organization entered into a lease agreement for office space that commenced January 1, 2019 with an initial annual base rent of \$15,140. On August 1, 2020 and on August 1 of each year thereafter, until expiration of the lease on July 31, 2022, the annual base rent shall increase by a fixed rate of three percent over the previous lease year's payments.

The Organization is also leasing additional office space under a sublease agreement that expires July 31, 2022 for a base rent of \$1,561 per month. The base rent increases by 3% on August 1, 2020 and on August 1 each year thereafter.

Rent expense was \$39,883 and \$31,556 for the years ended December 31, 2020 and 2019, respectively.

At December 31, 2020, the Organization was committed to the following minimum annual rentals under noncancelable operating lease agreements:

2021	\$ 35,331
2022	<u>20,965</u>
Total	<u>\$ 56,296</u>

### Note 7. Concentrations

#### Credit Risk

The Organization places its cash in a financial institution. At times, cash held in the financial institution may exceed FDIC insurance limits.

### Note 8. Risks and Uncertainties:

In March 2020, a pandemic of the Coronavirus (COVID-19) was declared by the World Health Organization. Future events, revenues and expenses of the Organization are uncertain due to the highly contagious nature of the virus, the requirements for social distancing, limited gathering and restrictions on travel. In addition, both domestic and international equity markets have experienced significant fluctuations since March 2020. The ultimate impact of the COVID-19 pandemic on the amount and likelihood of loss is unknown and depends on future developments. In this challenging environment, management has been aggressive in seeking new sources of funding, including federal emergency grants and loans, controlling costs and deferring payments when possible.

### Note 9. Payroll Protection Program Loan:

The Organization applied for and received a loan on April 30, 2020 under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration (SBA). The loan amount was for \$193,200 with a fixed interest rate of 1.00%. The Organization is eligible for loan forgiveness up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.



# LEADERSHIP ROUNDTABLE, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### Note 9. Payroll Protection Program Loan (Concluded):

In accordance with available guidance from the American Institute of Certified Public Accountants (AICPA), the Organization accounts for the funds as a conditional grant under FASB ASC 958-605 due to the forgiveness being conditional on incurring the qualified expenses and other criteria. The Organization recognizes the grant into revenue as the qualified expenses are incurred. The full amount of the grant was recognized as revenue in 2020 as sufficient qualified expenditures were incurred and all other criteria were met.

The Organization applied for forgiveness in November 2020, and was granted full forgiveness by the SBA subsequent to year end in January 2021.

### Note 10. Related Party Activities

During the years ended December 31, 2020 and 2019, the Organization recorded grants and contributions from directors and their family members as follows:

#### 2020:

<u>Year Issued</u>	<u>Type of Grant/Contribution</u>		<u>Amount</u>
2020	Grants/contributions without donor restriction	\$	244,255
2020	Grants/contributions with donor restriction	\$	-

#### 2019:

<u>Year Issued</u>	<u>Type of Grant/Contribution</u>		<u>Amount</u>
2019	Grants/contributions without donor restriction	\$	171,828
2019	Grants/contributions with donor restriction	\$	-

There were no grants or contributions receivable from related parties as of December 31, 2020 or 2019.

### Note 11. Retirement Plan

The Organization established a SEP-IRA plan in 2006 which covers all employees of the Organization. The Plan is funded by employer contributions which totaled \$110,010 and \$106,851 in 2020 and 2019, respectively.

# LEADERSHIP ROUNDTABLE, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### Note 12. Licensing and Distribution Agreements for Educational Materials

The Organization entered into a licensing agreement with the Standards for Excellence Institute on April 30<sup>th</sup>, 2007 to obtain rights to reproduce, modify and distribute certain educational materials provided by this licensor.

During April 2019, the Organization renewed the licensing agreement for a three year term. The fees under the agreement total \$48,000 and are to be paid out as follows:

Year 1	\$	16,500
Year 2		16,000
Year 3		<u>15,500</u>
Total	\$	<u>48,000</u>

Additionally, the Organization has a distributorship agreement with St. Anthony Messenger Press, LLC (the distributor) to distribute and sell its various educational publications worldwide. The Organization receives an advance royalty of twenty-five percent of the full retail price on all items delivered to the distributor for sale. An additional royalty of fifty percent is received when the items are sold. Advance royalty payments are recorded as deferred revenue until the items are sold, at which time they are recognized as revenue. As of December 31, 2020 and 2019, the Organization held no publications in inventory.

### Note 13. Contingencies

The Organization receives a significant portion of its revenue from grants. The ultimate determination of amounts received under these programs often is based on allowable costs reported to the donor. In some instances, the donor reserves the right to audit the program costs. Until the final settlement is reached with each donor, there exists a contingency to refund any amount received for costs deemed unallowable in an audit conducted by a donor.

### Note 14. Presentation of Prior Year Financial Statements

Certain amounts and descriptions in the prior year financial statements have been modified for comparative purposes to conform to the presentation of the current year financial statements. These reclassifications had no effect on previously reported changes in net assets.

### Note 15. Subsequent Events

The Organization has evaluated events through April 6, 2021, the date the financial statements were available to be issued. In addition to the subsequent forgiveness of the Payroll Protection Program loan as described in Note 9, the Organization applied for and was approved for a \$234,500 loan under the Paycheck Protection Program. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization is not aware of any other material subsequent event that requires recognition or disclosure in these financial statements.