PASTORAL LEADERSHIP INSTITUTE

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019 AND 2018

TOGETHER WITH AUDITOR'S REPORT

Dugan & Lopatka

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Pastoral Leadership Institute:

We have audited the accompanying financial statements of Pastoral Leadership Institute (PLI), a Missouri nonprofit organization, which comprise the statement of financial position as of December 31, 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.

Auditor's 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 auditor's 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.

To the Board of Directors of
Pastoral Leadership Institute
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pastoral Leadership Institute as of December 31, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Dugan + Lopatka

DUGAN & LOPATKA

Warrenville, Illinois
May 26, 2020

EXHIBIT 1

PASTORAL LEADERSHIP INSTITUTE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
A S S E T S		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,156,309	$ 1,201,189
Accounts receivable, net - trade	74,402	66,233
Pledges receivable, current	325,000	-
Investments	506,360	462,538
Prepaid expenses	24,365	69,983
Total current assets	2,086,436	1,799,943
PROPERTY AND EQUIPMENT:		
Furniture and equipment	40,338	40,338
Less: accumulated depreciation	(30,207)	(22,705)
Net property and equipment	10,131	17,633
OTHER ASSETS:		
Pledge receivable, net of current portion	692,473	-
Deposits	7,019	7,019
Total other assets	699,492	7,019
Total assets	$ 2,796,059	$ 1,824,595
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 75,701	$ 42,323
Deferred revenue	200,324	406,476
Deferred rent	23,871	24,385
Total current liabilities	299,896	473,184
COMMITMENTS		
NET ASSETS:		
Without donor restrictions	1,026,652	873,377
With donor restrictions	1,469,511	478,034
Total net assets	2,496,163	1,351,411
Total liabilities and net assets	$ 2,796,059	$ 1,824,595

The accompanying notes are an integral part of this statement.

EXHIBIT 2

PASTORAL LEADERSHIP INSTITUTE
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE:						
Contributions and grants	$ 1,029,898	$ 1,680,182	$ 2,710,080	$ 897,077	$ 702,297	$ 1,599,374
Conference and training fees	982,832	-	982,832	756,829	-	756,829
Investment income (loss)	45,110	-	45,110	(6,940)	-	(6,940)
Total support and revenue	2,057,840	1,680,182	3,738,022	1,646,966	702,297	2,349,263
RECLASSIFICATIONS:						
Net assets released upon satisfaction of purpose restrictions	688,705	(688,705)	-	579,726	(579,726)	-
FUNCTIONAL EXPENSES:						
Program services	1,466,504	-	1,466,504	1,155,394	-	1,155,394
Management and general	683,022	-	683,022	614,671	-	614,671
Fundraising	443,744	-	443,744	351,591	-	351,591
Total functional expenses	2,593,270	-	2,593,270	2,121,656	-	2,121,656
CHANGE IN NET ASSETS	153,275	991,477	1,144,752	105,036	122,571	227,607
NET ASSETS, Beginning of year	873,377	478,034	1,351,411	768,341	355,463	1,123,804
NET ASSETS, End of year	$ 1,026,652	$ 1,469,511	$ 2,496,163	$ 873,377	$ 478,034	$ 1,351,411

The accompanying notes are an integral part of this statement.

PASTORAL LEADERSHIP INSTITUTE
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Contributions and program fees received	$ 2,460,604	$ 2,415,821
Cash paid for operations and programs	(2,508,596)	(2,111,438)
Interest and dividends received	1,737	4,097
Net cash provided by (used in) operating activities	(46,255)	308,480
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	-	(17,478)
Proceeds from sale of investments	1,375	3,909
Purchase of investments	-	(4,678)
Net cash provided by (used in) investing activities	1,375	(18,247)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(44,880)	290,233
CASH AND CASH EQUIVALENTS, Beginning of year	1,201,189	910,956
CASH AND CASH EQUIVALENTS, End of year	$ 1,156,309	$ 1,201,189
RECONCILIATION OF CHANGE IN NET ASSETS:		
Change in net assets	$ 1,144,752	$ 227,607
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	7,502	5,502
Realized and unrealized (gain) loss on investments	(45,197)	8,957
Changes in other assets and liabilities:		
(Increase) decrease in accounts receivable	(8,169)	50,879
(Increase) in pledges receivables	(1,017,473)	-
(Increase) decrease in prepaid expenses	45,618	(4,123)
(Increase) decrease in deposits	-	(5,354)
Increase in accounts payable and accrued expenses	33,378	16,273
(Decrease) in deferred revenue	(206,152)	(15,646)
Increase (decrease) in deferred rent	(514)	24,385
Total adjustments	(1,191,007)	80,873
Net cash provided by (used in) operating activities	$ (46,255)	$ 308,480

The accompanying notes are an integral part of these statements.

PASTORAL LEADERSHIP INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program	Management and General	Fundraising	Total Expenses
Salaries and benefits	$ 570,154	$ 241,445	$ 337,677	$ 1,149,276
Professional services	57,145	121,279	13,399	191,823
Training, conferences, and meetings	374,976	16,014	1,632	392,622
Grants	240,650	-	-	240,650
Occupancy	6,135	78,512	-	84,647
Information technology	1,554	64,036	7,350	72,940
Supplies	613	3,463	698	4,774
Travel	210,029	99,832	44,298	354,159
Advancement and marketing	2,083	1,441	2,510	6,034
Insurance	-	6,131	-	6,131
Licenses and fees	-	1,461	-	1,461
Bank and finance fees	-	2,841	-	2,841
Postage and shipping	605	2,007	7,095	9,707
Telecommunications	1,364	1,953	28,854	32,171
Equipment	24	8,794	231	9,049
Depreciation	-	7,502	-	7,502
Miscellaneous	1,172	26,311	-	27,483
Total functional expenses	$ 1,466,504	$ 683,022	$ 443,744	$ 2,593,270

The accompanying notes are an integral part of this statement.

PASTORAL LEADERSHIP INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program	Management and General	Fundraising	Total Expenses
Salaries and benefits	$ 501,927	$ 219,350	$ 288,312	$ 1,009,589
Professional services	45,905	137,299	12,728	195,932
Training, conferences, and meetings	217,702	6,212	-	223,914
Grants	165,689	-	-	165,689
Occupancy	-	64,016	-	64,016
Information technology	1,102	16,583	7,405	25,090
Supplies	1,513	5,469	416	7,398
Travel	202,035	89,231	23,948	315,214
Advancement and marketing	800	4,403	240	5,443
Insurance	-	4,958	201	5,159
Licenses and fees	-	185	20	205
Bank and finance fees	528	3,969	-	4,497
Postage and shipping	415	2,758	676	3,849
Telecommunications	5,015	7,279	2,842	15,136
Printing and copying	9,756	15,631	14,752	40,139
Equipment	425	19,623	-	20,048
Depreciation	-	5,502	-	5,502
Miscellaneous	2,582	12,203	51	14,836
Total functional expenses	$ 1,155,394	$ 614,671	$ 351,591	$ 2,121,656

PASTORAL LEADERSHIP INSTITUTE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Pastoral Leadership Institute (PLI) was located in Downers Grove, Illinois until relocating to Nashville, Tennessee in 2016. PLI is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. PLI's purpose is to operate an in-service, leadership formation program for pastors and others who desire to develop their leadership abilities helpful in pastoring churches in the Lutheran Church-Missouri Synod (LCMS) and beyond. PLI serves as a resource to congregations, church groups, and individuals who desire to develop leadership skills so that a maximization of the gift of leadership given to them by God might be accomplished. PLI's primary sources of revenue are contributions and grants from Lutheran-related organizations and supporters of PLI and fees from conferences and training programs.

The financial statements were available to be issued on May 26, 2020, with subsequent events being evaluated through this date.

The following is a summary of the significant accounting policies and practices reflected in the accompanying financial statements.

Basis of Accounting -

The financial statements of PLI have been prepared on the accrual basis of accounting which recognizes revenue as it is earned and expenses as they are incurred.

Basis of Presentation -

PLI is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

> *Without donor restrictions* - Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of PLI. These net assets may be used at the discretion of management and the board of directors.
>
> *With donor restrictions* - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of PLI and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, PLI considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk -

Financial instruments which potentially subject PLI to concentrations of credit risk consist principally of cash. PLI's cash deposits exceeded the FDIC limits at various times during the years ended December 31, 2019 and 2018.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Accounts Receivable -

Accounts receivable is stated at the amount PLI expects to collect from outstanding balances. PLI provides for probable uncollectible amounts as an expense on the statement of activities and a credit to an allowance for doubtful accounts based on its assessment of the current status of individual accounts. An account is considered past due if PLI has not received any payments for ninety days after the invoice date. PLI's policy is to perform in-house reasonable collections after 90 days. Balances that are still outstanding after PLI has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable. The allowance for doubtful accounts is $0 and $1,180 as of December 31, 2019 and 2018, respectively.

Contributions -

PLI 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 that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire (that is, when a stipulated time restriction ends, or purpose 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 restriction, depending on the nature of the restrictions. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Conference and training fees -

Conference and training fees are reported at the amount that reflects the consideration to which PLI expects to be entitled in exchange for the services. PLI's program revenue consists primarily of conferences and educational programs which are considered to have a single performance obligation that is satisfied at a point in time. The performance obligations for these services are considered met, and revenue is recognized, when the conference or educational program occurs.

Donated Property -

Donations of property and equipment are recorded as support at their estimated fair 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, PLI reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. PLI reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated property, marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributed Services -

Contributed services are recognized as contributions if the services a) create or enhance nonfinancial assets or b) would typically need to be purchased by PLI, require specialized skills, and be performed by people with those skills.

Pledges Receivable -

Pledges receivable are recorded in the fiscal year, in which the pledge has become unconditional and then is classified as either without donor restrictions or with donor restrictions depending on the existence and/or nature of donor restrictions. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. 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.

Investments -

Investments in securities are carried at fair value based on quoted market prices for those investments. Donated investments are recorded as support at fair value when received.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of market risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Property and Equipment -

Property and equipment are stated at cost or fair market at date of receipt for donated assets. PLI follows the practice of capitalizing all assets in excess of $2,000. Betterments and renewals are capitalized if they extend or increase the value of the property and equipment. Maintenance and repairs are charged to operations when incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets ranging from three to ten years. Depreciation expense totaled $7,502 and $5,502 in 2019 and 2018, respectively.

Income Taxes -

PLI has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been established.

PLI files income tax returns in the U.S. federal jurisdiction and in various states. With few exceptions, PLI is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2016. PLI does not expect a material net change in unrecognized tax benefits in the next twelve months.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Deferred Revenue -

Deferred revenue represents program fees received in the current year that will be recognized as revenue in the following year when earned.

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 reported amounts and disclosures. Actual results could differ from those estimates.

Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, professional services, trainings and conferences, office expenses, information technology, travel and other, which are allocated on the basis of estimates of time and effort.

New Accounting Pronouncements -

Effective January 1, 2019, the Organization adopted Accounting Standards Update (ASU) 2014-09 *Revenue from Contracts with Customers* (Topic 606) and all subsequently issued clarifying ASU's which replaced most existing revenue recognition guidance in generally accepted accounting principles in the United States of America (GAAP). The new guidance requires the Organization to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The new guidance also requires expanded disclosures related to the nature, amount, timing and uncertainty of revenue and cashflows arising from contracts with customers. The adoption of this new guidance was done using the modified retrospective method. The Organization applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019.

Effective January 1, 2019, the Organization adopted ASU 2018-08, Not-for-Profit Entities: *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions.

The adoption of these new standards did not result in a material impact to the Organization's financial statements. There was no significant effect on the financial statements related to the adoption of these new standards which would require a cumulative adjustment to net assets at the date of adoption under the modified retrospective method.

(2) PLEDGES RECEIVABLE:

Pledges receivable to give at December 31, 2019 and 2018 are as follows:

	2019	2018
Receivable in less than one year	$ 325,000	$ -
Receivable in greater than one year and less than five years	750,000	-
Total unconditional promises to give	1,075,000	-
Less - Discounts to net present value	(57,527)	-
Net unconditional promise to give	$ 1,017,473	$ -

The discount rate used on long-term promises to give is 4.75% for 2019.

(3) INVESTMENTS:

Investments consist of the following at December 31, 2019 and 2018:

	2019	2018
Mutual funds	$ 474,706	$ 435,864
Pooled investment account	31,654	26,674
Total	$ 506,360	$ 462,538

Investment income (loss) consists of the following at December 31, 2019 and 2018:

	2019	2018
Interest and dividends	$ 1,737	$ 4,097
Realized and unrealized gain (loss)	45,197	(8,957)
Investment fees	(1,824)	(2,080)
Total	$ 45,110	$ (6,940)

(4) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification (ASC) for Fair Value Measurements establishes a single definition of fair value and a framework for measuring fair value, sets out a fair value hierarchy to be used to classify the source of information used in fair value measurement, and expands disclosures about fair value measurements required under other accounting pronouncements. It does not change existing guidance as to whether or not an instrument is carried at fair value.

(4) FAIR VALUE MEASUREMENTS: (Continued)

The ASC established market and observable inputs as the preferred source of values, followed by assumptions based on hypothetical transactions in the absence of market inputs.

The valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect PLI's market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Mutual Funds: Valued at the closing price reported on the active market on which the individual funds are traded.

Investments Held at Lutheran Legacy Foundation: Fair values for investments are provided by the trust administrator which determines the fair value by reference to quoted market prices and other relevant information generated by market transactions.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the PLI believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(4) FAIR VALUE MEASUREMENTS: (Continued)

The following tables set forth by level, within the fair value hierarchy, PLI's assets at fair value as of December 31, 2019 and 2018:

Description	Assets at Fair Value as of December 31, 2019 Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds -				
Money market fund	$ 309,138	$ -	$ -	$ 309,138
Equity fund	165,568	-	-	165,568
Pooled investment account	-	-	31,654	31,654
Total assets at fair value	$ 474,706	$ -	$ 31,654	$ 506,360

Description	Assets at Fair Value as of December 31, 2018 Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds -				
Money market fund	$ 303,690	$ -	$ -	$ 303,690
Equity fund	132,174	-	-	132,174
Pooled investment account	-	-	26,674	26,674
Total assets at fair value	$ 435,864	$ -	$ 26,674	$ 462,538

The following table sets forth a summary of changes in the fair value of level 3 assets for the years ended December 31, 2019 and 2018:

	2019	2018
Balance, beginning of year	$ 26,674	$ 31,426
Realized and unrealized gains (loss)	6,314	(3,871)
Purchases and sales, net	(1,334)	(881)
	$ 31,654	$ 26,674

(5) NET ASSETS:

Net assets with donor restrictions as of December 31, 2019 and 2018, are available for the following:

	2019	2018
Scholarships	$ 28,262	$ 30,390
PLI International	148,992	168,796
Young Leaders	161,940	222,531
Multicultural Learning Community	46,000	47,000
Time restricted	1,075,000	-
Other	9,317	9,317
	$ 1,469,511	$ 478,034

(6) LIQUIDITY AND AVAILABILITY:

	December 31, 2019	December 31, 2018
Financial assets -		
Cash and cash equivalents	$ 1,156,309	$ 1,201,189
Receivable	1,091,875	66,233
Investments	506,360	462,538
Total financial assets	2,754,544	1,729,960
Donor imposed restrictions	1,469,511	478,034
Financial assets available to meet cash needs for general expenditures that is without donor or other restrictions limiting their use within one year	$ 1,285,033	$ 1,251,926

PLI receives significant contributions, some of which are restricted by donors to fund specific programs or projects. Such restricted funds are tracked for use for the identified program or project. Restricted contributions of $1,680,182 and $702,297 were received and included in financial assets for the years ended December 31, 2019 and 2018, respectively.

PLI manages its liquidity and reserves following three guiding principles:

- operating within a prudent range of financial soundness and stability.
- maintaining adequate liquid assts to fund near-term operating needs.
- maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

(7) OPERATING LEASES:

In 2018, PLI entered into a new office lease that began in August 2018 and will expire in November 2023. The office lease included four months of free rent and scheduled increases in rent payments. The excess of rent expense recognized for the financial statements and the cumulative effect of these differences is included in deferred rent. In 2019, PLI entered into a new office lease that began in January 2019 and will expire in June 2020. Rental expense for these leases was $81,680 and $55,954 for the years ended December 31, 2019 and 2018, respectively. Future minimum lease payments are as follows:

2020	78,851
2021	78,051
2022	80,404
2023	75,785

(8) RETIREMENT PLAN:

Certain employees are covered by the defined benefit plan for eligible employees through the LCMS. PLI’s contributions to this plan totaled approximately $6,834 and $5,600 for the years ended December 31, 2019 and 2018, respectively.

(9) EVALUATION OF SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through May 26, 2020, the date which the financial statements were available to be issued.

In March 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The Organization cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption from this pandemic may impact our operations and financial statements.

As part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, in May, 2020, PLI obtained a Payroll Protection Program (PPP) loan in the amount of $44,382. The interest rate on this loan is 1% with the amount to be repaid in 18 installments beginning November 2020 with the final payment due on May, 2022. As part of the PPP loan agreement, a portion of the loan can be forgiven. PLI intends to maximize the forgiven portion of this loan as allowed under Act.