



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Christian Legal Society

We have audited the accompanying Financial Statements of Christian Legal Society (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2020 and 2019, 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 audit. We conducted our audit 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christian Legal Society as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Manassas, VA
November 12, 2021

Christian Legal Society
Statement of Financial Position
At December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,585,039	\$ 961,709
Accounts and Grants Receivable	18,162	17,753
Pledges Receivable, net	788,635	679,789
Prepaid expenses and other current assets	28,924	30,937
Total Current Assets	2,420,760	1,690,188
Property and Equipment, Net	69,866	22,891
Other Assets	6,849	8,138
Total Assets	\$ 2,497,475	\$ 1,721,217
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 3,280	\$ -
Accrued Payroll Liabilities	31,140	39,704
Accrued Vacation Expense	11,613	10,181
Current portion of Long-Term Debt	5,799	5,133
Deferred Revenue	301,702	5,110
Total Current Liabilities	353,534	60,128
Long-Term Liabilities		
PPP Loan Payable	182,147	-
Lease Payable	24,407	-
Total Long-Term Liabilities	206,554	-
Total Liabilities	560,088	60,128
Net Assets		
Without Donor Restrictions	612,317	948,010
With Donor Restrictions	1,325,070	713,079
Total Net Assets	1,937,387	1,661,089
Total Liabilities and Net Assets	\$ 2,497,475	\$ 1,721,217

Christian Legal Society
Statement of Activities
For the Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support						
Contributions	\$ 685,203	\$ 361,175	\$ 1,046,378	\$ 796,911	\$ 102,608	\$ 899,519
Grants	78,935	261,200	340,135	527,400		527,400
Membership Contributions & Dues	370,311		370,311	361,280		361,280
Conference Registration	42,753		42,753	292,536		292,536
Advertising and Sponsorship	4,913		4,913	27,372		27,372
Total Revenues, Gains and Other Support	<u>1,182,115</u>	<u>622,375</u>	<u>1,804,490</u>	<u>2,005,499</u>	<u>102,608</u>	<u>2,108,107</u>
Expenses						
Program Services						
Attorney Ministries	442,353	-	442,353	353,703	-	353,703
Legal Aid Ministries	217,680	-	217,680	125,884	-	125,884
Conferences	59,574	-	59,574	378,664	-	378,664
Center for Law and Religious Freedom	376,708	-	376,708	411,665	-	411,665
Law Student Ministries	319,659	-	319,659	493,083	-	493,083
Total Program Services	<u>1,415,974</u>	<u>-</u>	<u>1,415,974</u>	<u>1,762,999</u>	<u>-</u>	<u>1,762,999</u>
Supporting Services:						
Administration	155,333	-	155,333	137,556	-	137,556
Development	130,339	-	130,339	151,101	-	151,101
Total Supporting Services	<u>285,672</u>	<u>-</u>	<u>285,672</u>	<u>288,657</u>	<u>-</u>	<u>288,657</u>
Total Expenses	<u>1,701,646</u>	<u>-</u>	<u>1,701,646</u>	<u>2,051,656</u>	<u>-</u>	<u>2,051,656</u>
Other Income/(Expenses)	<u>173,454</u>	<u>-</u>	<u>173,454</u>	<u>49,469</u>	<u>-</u>	<u>49,469</u>
Increase (Decrease) in Net Assets from Operations	\$ (346,077)	\$ 622,375	\$ 276,298	\$ 3,312	\$ 102,608	\$ 105,920
Net Assets, Beginning of Year	\$ 948,010	\$ 713,079	\$ 1,661,089	\$ 792,905	\$ 762,264	\$ 1,555,169
Net Assets Released from Restriction	\$ 10,384	\$ (10,384)	\$ -	\$ 151,793	\$ (151,793)	\$ -
Net Assets, End of Year	\$ 612,317	\$ 1,325,070	\$ 1,937,387	\$ 948,010	\$ 713,079	\$ 1,661,089

See the Accompanying Notes to the Financial Statements

Christian Legal Society
Statement of Functional Expenses
For the Year Ended December 31, 2020

	<u>Program Services</u>						<u>Support Services</u>		
	<u>Attorney Ministries</u>	<u>Legal Aid Ministries</u>	<u>Conferences</u>	<u>Center for Law & Religious Freedom</u>	<u>Law Student Ministries</u>	<u>Total Program Services</u>	<u>Administration</u>	<u>Development</u>	<u>Total</u>
Salaries & Benefits	\$ 209,367	\$ 184,298	\$ 25,478	\$ 316,233	\$ 274,377	\$ 1,009,753	\$ 110,937	\$ 79,233	\$ 1,199,923
Computer Expenses	5,755	4,848	-	3,765	4,170	18,538	2,293	2,103	22,934
Chapter/Membership Support	14,590	-	34,096	866	4,577	54,129	-	-	54,129
Insurance				2,720		2,720	-		2,720
Bank Charges	2,552	1,262	-	1,262	1,262	6,338	(660)	1,304	6,982
CLRF-Advocacy	-	-	-	18,575	-	18,575	-	-	18,575
Office Expenses	17,699	6,570	-	6,615	6,837	37,721	1,816	580	40,117
Travel	30,962	2,585	-	2,830	4,019	40,396	-	2,135	42,531
Headquarters Facility Costs	12,559	12,559	-	12,559	18,859	56,536	18,667	10,648	85,851
Equipment & Supplies	5,706	765	-	765	765	8,001	12,081	1,020	21,102
Office Services	6,309	4,793	-	10,518	4,793	26,413	8,383	12,829	47,625
Caging & Database Management	65,508	-	-	-	-	65,508	1,816	1,316	68,640
Publications:									
Christian Lawyer	29,486	-	-	-	-	29,486	-	-	29,486
JCLT	10,859	-	-	-	-	10,859	-	-	10,859
Donor Appeal	31,001	-	-	-	-	31,001	-	19,171	50,172
	<u>\$ 442,353</u>	<u>\$ 217,680</u>	<u>\$ 59,574</u>	<u>\$ 376,708</u>	<u>\$ 319,659</u>	<u>\$ 1,415,974</u>	<u>\$ 155,333</u>	<u>\$ 130,339</u>	<u>\$ 1,701,646</u>

See the Accompanying Notes to the Financial Statements

Christian Legal Society
Statement of Functional Expenses
For the Year Ended December 31, 2019

	<u>Program Services</u>						<u>Support Services</u>		
	<u>Attorney Ministries</u>	<u>Legal Aid Ministries</u>	<u>Conferences</u>	<u>Center for Law & Religious Freedom</u>	<u>Law Student Ministries</u>	<u>Total Program Services</u>	<u>Administration</u>	<u>Development</u>	<u>Total</u>
Salaries & Benefits	\$ 53,331	\$ 71,025	\$ 68,345	\$ 350,729	\$ 307,172	\$ 850,602	\$ 108,257	\$ 95,944	\$ 1,054,803
Computer Expenses	5,056	4,668	-	4,668	4,668	19,060	2,334	1,945	23,339
Chapter/Membership Support	30,676	16,742	304,264	1,500	138,901	492,083	2,726	3,956	498,765
Insurance						-	2,565		2,565
Bank Charges	2,900	1,898	158	1,898	1,898	8,752	1,770	791	11,313
CLRF-Advocacy	-	-	-	14,180	-	14,180	-	-	14,180
Office Expenses	35,852	-	-	301	19	36,172	4,873	2,628	43,673
Travel	61,302	757	4,088	1,056	3,331	70,534	227	1,001	71,762
Headquarters Facility Costs	14,714	14,714	1,226	14,714	21,014	66,382	4,313	6,131	76,826
Equipment & Supplies	14,207	570	-	570	570	15,917	3,682	285	19,884
Office Services	12,526	8,517	-	15,056	8,517	44,616	3,312	2,731	50,659
Caging & Database Management	79,367	6,993	583	6,993	6,993	100,929	3,497	8,010	112,436
Publications:									
Christian Lawyer	20,084	-	-	-	-	20,084	-	4,895	24,979
JCLT	15,766	-	-	-	-	15,766	-	-	15,766
Donor Appeal	7,922	-	-	-	-	7,922	-	22,784	30,706
	<u>\$ 353,703</u>	<u>\$ 125,884</u>	<u>\$ 378,664</u>	<u>\$ 411,665</u>	<u>\$ 493,083</u>	<u>\$ 1,762,999</u>	<u>\$ 137,556</u>	<u>\$ 151,101</u>	<u>\$ 2,051,656</u>

See the Accompanying Notes to the Financial Statements

Christian Legal Society
Statement of Cash Flows
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 276,298	\$ 105,920
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and Amortization	19,623	13,637
Loss on disposal of property and equipment	3,805	-
Changes in assets and liabilities affecting operations:		
Accounts and Grants receivable	(409)	10,328
Pledges receivable, net	(108,846)	(300,457)
Prepaid expenses and other current assets	2,013	35,729
Other Assets	1,289	-
Accounts Payable	3,280	-
Accrued Vacation expense	1,432	(1,254)
Payroll Liabilities	(8,564)	5,701
Deferred Expenses	-	(3,044)
Deferred Revenue	296,592	(19,205)
Net cash used in operating activities	<u>486,513</u>	<u>(152,645)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(70,403)</u>	<u>(5,472)</u>
Net cash used in investing activities	(70,403)	(5,472)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (Payments to) lines of credit	-	(561)
Proceeds from / Repayments of Notes Payable	<u>207,220</u>	<u>(4,614)</u>
Net cash provided by financing activities	<u>207,220</u>	<u>(5,175)</u>
 Net Increase (Decrease) in Cash	\$ 623,330	\$ (163,292)
 Cash, Beginning of Year	\$ 961,709	\$ 1,125,001
 Cash, End of Year	<u>\$1,585,039</u>	<u>\$ 961,709</u>
 Interest paid during the year	\$ 3,768	\$ 852

Christian Legal Society
Notes to Financial Statements
December 31, 2020 and 2019

A. ABOUT THE CHRISTIAN LEGAL SOCIETY (CLS)

History - Founded in 1961, Christian Legal Society (CLS) is an association of Christians dedicated to serving Jesus Christ through the practice and study of law, the defense of life and religious freedom, and the provision of legal aid to the needy. All officers, directors, employees, and members of CLS, as a condition of the employment and/or membership, affirm the following statement of faith:

Trusting in Jesus Christ as my savior, I believe in:

- *One God, eternally existent in three persons: Father, Son, and Holy Spirit.*
- *God the Father Almighty, maker of heaven and earth.*
- *The deity of our Lord Jesus Christ, God's only son, conceived of the Holy Spirit, born of the virgin Mary; His vicarious death for our sins through which we receive eternal life; His bodily resurrection and personal return.*
- *The presence and power of the Holy Spirit in the work of regeneration.*
- *The Bible as the inspired word of God.*

Structure - For over 50 years, CLS members have been "Seeking justice with the Love of God", currently through four primary ministries:

Attorney Ministries

CLS attorney chapters and individual members throughout the country are engaged in a wide range of ministries and activities, including Christian fellowship and spiritual development, discipleship, law student mentoring, contributions to The Christian Lawyer magazine, legal referrals, Christian conciliation, volunteer legal service on behalf of the poor and needy, and engagement with the legal community in their respective communities.

Law Student Ministries

CLS helps students in law schools across the country integrate their Christian faith with the study and eventual practice of law. Our Law Student Ministries engages CLS and other Christian groups on law school campuses, resourcing them with Bible studies, one-on-one mentoring, student-focused conferences, a Journal of Christian Legal Thought, and faith-based curriculum services.

Christian Legal Aid

CLS trains, coordinates, networks, resources, and assists lawyers, churches, missions, ministries, and laypeople to engage in Christian legal aid in their communities, making sure the poor and needy have access to justice. Christian Legal Aid helps the disadvantaged untangle legal issues, seek Christian guidance for personal problems, and understand their rights under the law.

Center for Law and Religious Freedom (the Center)

As the country's oldest Christian advocacy ministry for religious liberty, the Center has initiated law suits, filed amicus briefs, argued cases, and worked with Congress to defend our Constitution's inalienable protection of religious freedom and the sanctity of human life.

Christian Legal Society
Notes to Financial Statements
December 31, 2020 and 2019

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Framework of Accounting – The financial statements of the Organization have been prepared on the US GAAP financial framework of accounting. The accrual method is used for calculations so revenue is recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation – The Organization reports information regarding its financial position and activities according to two classes of net assets: with and without donor restrictions.

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

Cash and cash equivalents – For purposes of the statement of cash flows, all highly liquid debt instruments purchased with an original maturity of three months or less are considered to be cash equivalents.

Property and Equipment – Property and equipment are stated at cost. Donated assets are recorded at the estimated fair market value at the time of donation. Depreciation is provided for using the straight-line method, based on the estimated useful lives of the assets. Amortization is determined using the straight-line method over the estimated useful lives. Property and equipment costing over \$1,000 are capitalized.

Donated materials and services – The estimated fair value of donated materials and services, net of actual payments, if any, are reported as support and expense in the period of benefit. The total is made up of the use of facilities in Mt. Pleasant, Texas. For the years ended December 31, 2020 and 2019, donated materials totaled \$6,300 and \$6,300, respectively.

Functional Allocation of Expenses – The Organization's expenses have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the areas benefited.

Income Taxes – The Society is classified for federal income tax purposes as a Section 501(c)(3) organization exempt from income taxes as provided under Section 501(a) of the Internal Revenue Code.

Promises to Give – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the pledges are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included in support until the conditions are substantially met. As of December 31, 2020 and 2019 there were no conditional promises to give, while unconditional promises to give were \$788,635 and \$679,789, respectively.

Contributions – Grants and contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any restrictions. The Organization reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is,

Christian Legal Society
Notes to Financial Statements
December 31, 2020 and 2019

when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted assets are reclassified to without donor restricted net assets and are reported in the Statement of Activities as Net Assets Released from Restrictions. As of December 31, 2020 and 2019, the Society had net assets with donor restrictions totaling \$1,325,070 and \$713,079, respectively.

Deferred Revenue – Funds and conference fees received in advance for specific purposes or events are deferred and recognized as revenue over the period to which they relate and when the events take place, respectively.

Membership Dues – Membership dues are considered voluntary contributions to the Society. Payments for dues are received as donations to the ministry. Given this, CLS recognizes membership dues as “Contributions” in the period in which they are received.

Costs of Joint Activities – FASB ASC 958-720-50-2, “*Accounting for Costs of Activities That Include Fund Raising*”, establishes accounting standards for recording costs associated with joint activities (activities which are part fundraising and have elements of one of more other functions, such as program or general and administrative). The pronouncement requires that the criteria of purpose, audience and content be met in order to allocate any portion of the costs of joint activities to a functional area other than fundraising. See Note K.

C. PLEDGES RECEIVABLE

Included in pledges receivable are the following unconditional promises to give as of December 31:

	2020	2019
Unconditional promises to give before unamortized discount and reserve	\$ 788,635	\$ 679,789
Less: Unamortized discount	-	-
Subtotal	788,635	679,789
Less: Reserve	-	-
Net unconditional promises to give	<u>788,635</u>	<u>679,789</u>
Amounts due in:		
Less than one year	\$ 507,635	\$ 573,789
One to five years	36,000	51,000
More than five years	245,000	55,000
Total gross unconditional promises to give	<u>\$ 788,635</u>	<u>\$ 679,789</u>

Christian Legal Society
Notes to Financial Statements
December 31, 2020 and 2019

D. PROPERTY AND EQUIPMENT

The major classes of property and equipment, along with their respective accumulated depreciation and net worth, are as follows as of December 31:

	2020	Accum Depr	Net
Leasehold Improvements	\$ 7,206	\$ 464	\$ 6,742
Furniture	2,922	2,606	316
Equipment	42,868	14,313	28,555
Website and Software	192,984	167,674	25,310
Computers	69,853	60,910	8,943
	<u>\$ 315,833</u>	<u>\$ 245,967</u>	<u>\$ 69,866</u>
	2019	Accum Depr	Net
Leasehold Improvements	\$ 28,296	\$ 28,296	\$ -
Furniture	2,922	2,205	717
Equipment	30,048	25,880	4,168
Website and Software	164,788	159,744	5,044
Computers	69,853	56,891	12,962
	<u>\$ 295,907</u>	<u>\$ 273,016</u>	<u>\$ 22,891</u>

Depreciation and amortization expense for the years ended December 31, 2020 and 2019 totaled \$19,623 and \$13,637, respectively.

E. LINES OF CREDIT

The Society maintains a line of credit with a financial institution. The maximum amount available on this line was up to \$100,000 at December 31, 2020 and 2019. The line is collateralized by the Society's furniture, fixtures, and equipment. The line of credit is due on demand and bears interest at the rate of prime plus 1.5%. At December 31, 2020 and 2019, the balance on the line of credit was \$0 and \$0 respectively.

F. LEASES

The Organization was obligated to pay on a lease for 3,089 square feet in an office building on the third floor of 8001 Braddock Road, Springfield, Virginia. The original lease was renewed in 2014 for an additional five (5) years with three months free rent up-front. At the end of the lease term the lease was extended monthly until the new space in the same building was available, which was May 1, 2020. The monthly rate was \$5,663. This lease ended in 2020.

In July 2019, the Organization signed a lease for 3,659 square feet in an office building located at 8001 Braddock Road, Springfield, Virginia. The term of the lease started on May 1, 2020 and shall continue for a period of seven years unless terminated or renewed within the provision of the lease. There is rent abatement for the first six months. Base rent of the new

Christian Legal Society
Notes to Financial Statements
December 31, 2020 and 2019

facility is \$6,708 per month starting November 15, 2020, with annual increases of 2.5% based on previous year's base rent through the seventh year.

Future minimum lease payments for the next five years under this lease are as follows:

Fiscal Year Ended December 31,	Amount
2021	\$ 82,510
2022	84,573
2023	86,688
2024	88,855
2025	91,076
Totals	<u>\$ 433,702</u>

For the years ended December 31, 2020 and 2019, rent expense for Christian Legal Society totaled \$85,851 and \$76,824, respectively.

G. CAPITAL LEASE

The Organization purchased a copier in 2015 with a \$1 buy-out option at the end of the 60-month lease. As such the value of the copier has been capitalized and interest is being recognized at an imputed interest rate of 10.524%. The lease ended in 2020.

The Organization purchased a copier in 2020 on a 63-month lease. As such the value of the copier was estimated at \$16,500 and has been capitalized and interest is being recognized at an imputed interest rate of 10.592%.

The minimum lease payments for the next five years are as follows.

Year	Principle Payments
2021	\$ 1,399
2022	2,249
2023	3,615
2024	5,811
2025	2,636
	<u>\$ 15,710</u>

Christian Legal Society
Notes to Financial Statements
December 31, 2020 and 2019

H. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31 are available for the following purposes:

	2020	2019
Attorney Ministries	\$ 600	\$ -
Endowment	787,225	589,164
Center Staffing	63,025	73,409
Grants	341,200	-
Legal Aid	108,356	50,506
LSM Funds	665	-
Campus Dinner	24,000	-
Net assets with donor restrictions	\$ 1,325,071	\$ 713,079

For the years ended December 31, 2020 and 2019, net assets in the amount of \$151,793 and \$31,609, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purpose.

I. CONDITIONAL PROMISES TO GIVE (ENDOWMENT)

The endowment referenced in Note H above refers to an endowment fund setup for CLS. The endowment is for approximately \$500,000 and is conditioned on receiving matching gifts and/or qualified pledges within 5 years of the date of the death of the donor, which was April 18, 2018. Cumulative funds raised toward the match were \$332,224 (plus \$281,000 in qualified pledges) and \$134,164 (plus \$126,000 in qualified pledges) at December 31, 2020 and 2019, respectively. The endowment funds are held in a trust account for CLS and is valued at \$787,225 and \$589,164 as of December 31, 2020 and 2019, respectively. In early 2021 the trustee has confirmed fulfillment of the matching gift requirement of the donor's bequest.

J. RETIREMENT PLAN

The Society maintains a tax deferred annuity plan, qualified under Section 403(b) of the Internal Revenue Code, for eligible employees with at least two years of full-time service, working at least 1,000 hours per year. The Society contributes 5% of the annual salary of each participant. Plan expense totaled \$22,424 and \$20,695 for the years ended December 31, 2020 and 2019, respectively.

K. ALLOCATION OF JOINT ACTIVITIES

During 2020 and 2019, CLS incurred joint costs of approximately \$90,517 and \$71,451, respectively, for website costs and informational materials primarily related to mailings that included fundraising appeals.

Christian Legal Society
Notes to Financial Statements
December 31, 2020 and 2019

Pursuant to FASB ASC 958-720-50-2 (See Note B) these costs were allocated to the functional areas as follows:

	2020	2019
Program Services	\$ 71,346	\$ 43,772
Supporting Services:		
Development	19,171	27,679
Administration	-	-
Total	\$ 90,517	\$ 71,451

L. INTEREST EXPENSE

The amount of Interest Expense for the year ended December 31, 2020 and 2019 totaled \$3,768 and \$852, respectively. These expenses are included in Interest Expense, Bank Charges, and Equipment Expenses.

M. OTHER INCOME

Items included in Other Income on the Statement of Activities for the years ended December 31, 2020 and 2019 are listed below:

	2020	2019
Reimbursed Expenses	\$ 38,362	\$ 47,736
Interest Income	6,817	1,733
Loss on Disposal of Assets	(3,805)	-
Holding Gain on Investments	132,080	-
Total	\$ 173,454	\$ 49,469

N. CONCENTRATIONS

For the year ended December 31, 2020, one contributor gave 12.6% of total contributions received. The top 5 donors represent about 27.1% of total contributions for 2020.

For the year ended December 31, 2019, one contributor gave 12.5% of total contributions received. The top 5 donors represent about 27.4% of total contributions for 2019.

O. NOTES PAYABLE

The Organization secured a Paycheck Protection Program (PPP) Loan on April 20, 2020. The loan amount was \$182,147. Interest accrues as a rate of 1% per year. Repayment terms

Christian Legal Society
Notes to Financial Statements
December 31, 2020 and 2019

are equal monthly principal and interest payments to commence November 1, 2020 with the final payment due April 20, 2022. The loan was forgiven March 9, 2021.

P. FINANCIAL ASSETS AVAILABLE FOR THE NEXT YEAR

The Organization has \$1,585,039 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash and cash equivalents of \$1,585,039. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$283,608. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments, including sweep type bank instruments.

Q. SUBSEQUENT EVENTS

Subsequent events have been evaluated through information known as of November 12, 2021, which is the date of these financial statements were available to be issued.

The Organization secured a SECOND Paycheck Protection Program (PPP) Loan on April 1, 2021. The loan amount was \$185,592. Interest accrues as a rate of 1% per year. Repayment terms are equal monthly principal and interest payments to commence November 1, 2021, with the final payment due April 30, 2023. The Organization expects it will meet the requirements of loan forgiveness under the PPP (Sections 1102 and 1106 of the Coronavirus Aid, Relief, and Economic Security Act (Cares Act)). Absent this forgiveness, the minimum future principal payments on this note are as follows:

Fiscal Year Ended December 31,	Principle	Balance	
2021	\$ 19,657	\$ 165,935	
2022	\$ 124,244	\$ 41,691	
2023	41,691	-	
Totals	\$ 185,592		

In early 2021 the trustee has confirmed fulfillment of the matching gift requirement of endowment referenced in Note I above.