**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of
Christian Legal Society

Opinion

We have audited the accompanying financial statements of Christian Legal Society (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Christian Legal Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

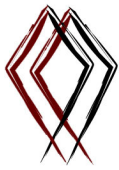
Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Christian Legal Society's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Christian Legal Society's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Christian Legal Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Manassas, VA
May 22, 2024

Christian Legal Society
Statement of Financial Position
At December 31, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 2,457,648	\$ 2,060,586
Pledges Receivable	757,134	416,651
Investments	809,018	722,405
Prepaid expenses and other current assets	44,292	53,939
Total Current Assets	4,068,092	3,253,581
Property and Equipment, Net	27,527	48,044
Other Assets		
Lease Deposits	6,849	6,849
Pledges Receivable, net of current	338,000	343,000
Total Other Assets	344,849	349,849
Total Assets	\$ 4,440,468	\$ 3,651,474
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 12,771	\$ 4,076
Accrued Payroll Liabilities	50,074	30,580
Accrued Vacation Expense	18,815	13,806
Deferred Rent Discount	19,166	24,916
Current portion of Long-Term Debt	7,957	7,161
Deferred Revenue	6,255	1,885
Total Current Liabilities	115,038	82,424
Long-Term Liabilities		
Lease Payable	2,844	10,801
Total Long-Term Liabilities	2,844	10,801
Total Liabilities	117,882	93,225
Net Assets		
Without Donor Restrictions	1,379,627	1,201,113
With Donor Restrictions	2,942,959	2,357,136
Total Net Assets	4,322,586	3,558,249
Total Liabilities and Net Assets	\$ 4,440,468	\$ 3,651,474

Christian Legal Society
Statement of Activities
For the Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support						
Contributions	\$ 854,930	\$ 478,274	\$ 1,333,204	\$ 740,929	\$ 484,266	\$ 1,225,195
Grants	750,933	181,312	932,245	491,900	355,000	846,900
Membership Contributions & Dues	382,321		382,321	341,931		341,931
Conference Registration	380,106		380,106	354,123		354,123
Advertising and Sponsorship	12,317		12,317	3,865		3,865
Released from restriction	73,763	(73,763)	-	271,948	(271,948)	-
Total Revenues, Gains and Other Support	<u>2,454,370</u>	<u>585,823</u>	<u>3,040,193</u>	<u>2,204,696</u>	<u>567,318</u>	<u>2,772,014</u>
Expenses						
Program Services						
Attorney Ministries	662,834	-	662,834	550,483	-	550,483
Legal Aid Ministries	342,436	-	342,436	245,667	-	245,667
Conferences	413,646	-	413,646	341,683	-	341,683
Center for Law and Religious Freedom	386,578	-	386,578	279,179	-	279,179
Law Student Ministries	525,815	-	525,815	486,647	-	486,647
Total Program Services	<u>2,331,309</u>	<u>-</u>	<u>2,331,309</u>	<u>1,903,659</u>	<u>-</u>	<u>1,903,659</u>
Supporting Services:						
Administration	190,758	-	190,758	150,837	-	150,837
Development	210,858	-	210,858	167,960	-	167,960
Total Supporting Services	<u>401,616</u>	<u>-</u>	<u>401,616</u>	<u>318,797</u>	<u>-</u>	<u>318,797</u>
Total Expenses	<u>2,732,925</u>	<u>-</u>	<u>2,732,925</u>	<u>2,222,456</u>	<u>-</u>	<u>2,222,456</u>
Other Income/(Expenses)	<u>457,069</u>	<u>-</u>	<u>457,069</u>	<u>(135,548)</u>	<u>-</u>	<u>(135,548)</u>
Increase (Decrease) in Net Assets from Operations	\$ 178,514	\$ 585,823	\$ 764,337	\$ (153,308)	\$ 567,318	\$ 414,010
Net Assets, Beginning of Year	\$ 1,201,113	\$ 2,357,136	\$ 3,558,249	\$ 1,354,421	\$ 1,789,818	\$ 3,144,239
Net Assets, End of Year	<u>\$ 1,379,627</u>	<u>\$ 2,942,959</u>	<u>\$ 4,322,586</u>	<u>\$ 1,201,113</u>	<u>\$ 2,357,136</u>	<u>\$ 3,558,249</u>

See Notes to the Financial Statements

Christian Legal Society
Statement of Functional Expenses
For the Year Ended December 31, 2023

	<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	\$ 223,889	\$ 270,427	\$ 24,890	\$ 312,073	\$ 240,638	\$ 1,071,917	\$ 131,824	\$ 128,576	\$ 1,332,317
Computer Expenses	4,726	4,727	-	4,727	4,727	18,907	2,363	2,363	23,633
Chapter/Membership Support	96,715	22,128	388,756	-	214,977	722,576	22,374	30,295	775,245
Bank Charges	1,656	-	-	-	-	1,656	1,811	-	3,467
CLRF-Advocacy	-	-	-	19,242	-	19,242	-	-	19,242
Office Expenses	72,734	2,364	-	-	4,677	79,775	1,290	3,000	84,065
Travel	84,867	5,549	-	5,696	5,448	101,560	6,158	5,149	112,867
Headquarters Facility Costs	16,277	16,277	-	16,277	16,277	65,108	8,138	8,138	81,384
Equipment & Supplies	6,237	6,237	-	6,237	6,237	24,948	3,119	3,119	31,186
Office Services	11,575	6,318	-	13,918	6,318	38,129	9,477	6,316	53,922
Caging & Database Management	77,177	-	-	-	-	77,177	-	-	77,177
CLSNet Website Costs	8,408	8,409	-	8,408	8,409	33,634	4,204	4,204	42,042
Publications:									
Christian Lawyer	45,200	-	-	-	-	45,200	-	-	45,200
JCLT	-	-	-	-	18,107	18,107	-	-	18,107
Donor Appeal	13,373	-	-	-	-	13,373	-	19,698	33,071
	<u>\$ 662,834</u>	<u>\$ 342,436</u>	<u>\$ 413,646</u>	<u>\$ 386,578</u>	<u>\$ 525,815</u>	<u>\$ 2,331,309</u>	<u>\$ 190,758</u>	<u>\$ 210,858</u>	<u>\$ 2,732,925</u>

Christian Legal Society
Statement of Functional Expenses
For the Year Ended December 31, 2022

	<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	\$ 274,381	\$ 171,610	\$ 11,242	\$ 189,303	\$ 195,119	\$ 841,655	\$ 103,938	\$ 97,683	\$ 1,043,276
Computer Expenses	4,145	4,145	-	4,145	4,144	16,579	2,072	2,073	20,724
Chapter/Membership Support	13,895	19,865	327,136	5,000	233,401	599,297	14,670	11,606	625,573
Bank Charges	2,548	2,548	-	2,548	2,548	10,192	(72)	2,549	12,669
CLRF-Advocacy	-	-	-	25,684	-	25,684	-	-	25,684
Office Expenses	10,991	7,993	2,828	7,993	11,292	41,097	3,069	937	45,103
Travel	28,869	11,824	477	11,824	12,357	65,351	5,201	12,435	82,987
Headquarters Facility Costs	15,129	15,129	-	15,129	15,129	60,516	7,564	7,564	75,644
Equipment & Supplies	7,128	7,129	-	7,129	7,128	28,514	3,869	3,959	36,342
Office Services	6,442	5,424	-	10,424	5,529	27,819	10,526	5,117	43,462
Caging & Database Management	109,869	-	-	-	-	109,869	-	-	109,869
CLSNet Website Costs	20,855	-	-	-	-	20,855	-	-	20,855
Publications:									
Christian Lawyer	29,857	-	-	-	-	29,857	-	-	29,857
Donor Appeal	26,374	-	-	-	-	26,374	-	24,037	50,411
	<u>\$ 550,483</u>	<u>\$ 245,667</u>	<u>\$ 341,683</u>	<u>\$ 279,179</u>	<u>\$ 486,647</u>	<u>\$ 1,903,659</u>	<u>\$ 150,837</u>	<u>\$ 167,960</u>	<u>\$ 2,222,456</u>

See Notes to the Financial Statements

Christian Legal Society
Statement of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 764,337	\$ 414,010
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and Amortization	29,001	31,612
Changes in assets and liabilities affecting operations:		
Accounts and Grants receivable	-	1,122
Pledges receivable, net	(335,483)	(97,301)
Prepaid expenses and other current assets	9,647	(21,234)
Accounts Payable	8,695	(4,666)
Accrued Vacation expense	5,009	4,023
Payroll Liabilities	19,494	(9,034)
Deferred Expenses	(5,750)	(5,750)
Deferred Revenue	4,370	(5,665)
Net cash used in operating activities	499,320	307,117
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(8,484)	(6,532)
Investments	(86,613)	(722,405)
Net cash used in investing activities	(95,097)	(728,937)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from / Repayments of Notes Payable	(7,161)	(6,444)
Net cash provided by financing activities	(7,161)	(6,444)
 Net Increase (Decrease) in Cash	\$ 397,062	\$ (428,264)
 Cash, Beginning of Year	\$ 2,060,586	\$ 2,488,850
 Cash, End of Year	\$ 2,457,648	\$ 2,060,586
 Interest paid during the year	\$ 242	\$ 2,278

Christian Legal Society
Notes to Financial Statements
December 31, 2023, and 2022

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 60 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, continuing legal education, 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, 2023, and 2022

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.

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, 2023 and 2022 there were no conditional promises to give, while unconditional promises to give were \$1,095,134 and \$759,651, 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, 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, 2023 and 2022, the Society had net assets with donor restrictions totaling \$2,942,959 and \$2,357,136, respectively.

Christian Legal Society
Notes to Financial Statements
December 31, 2023, and 2022

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 receipted 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 L.

C. PLEDGES RECEIVABLE

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

	2023	2022
Unconditional promises to give before unamortized discount and reserve	\$1,095,134	\$ 759,651
Less: Unamortized discount	-	-
Subtotal	1,095,134	759,651
Less: Reserve	-	-
Net unconditional promises to give	<u>\$1,095,134</u>	<u>\$ 759,651</u>
Amounts due in:		
Less than one year	\$ 757,134	\$ 416,651
One to five years	13,000	18,000
More than five years	325,000	325,000
Total gross unconditional promises to give	<u>\$1,095,134</u>	<u>\$ 759,651</u>

Christian Legal Society
Notes to Financial Statements
December 31, 2023, and 2022

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:

Class of Property & Equipment	2023	Accum Depr	Net
Leasehold Improvements	\$ 7,206	\$ 3,552	\$ 3,654
Furniture	2,922	2,922	-
Equipment	42,868	35,313	7,555
Website and Software	227,980	219,832	8,148
Computers	82,247	74,077	8,170
Total	\$ 363,223	\$ 335,696	\$ 27,527
Class of Property & Equipment	2022	Accum Depr	Net
Leasehold Improvements	\$ 7,206	\$ 2,523	\$ 4,683
Furniture	2,922	2,922	-
Equipment	42,868	28,313	14,555
Website and Software	220,984	202,733	18,251
Computers	80,758	70,203	10,555
Total	\$ 354,738	\$ 306,694	\$ 48,044

Depreciation and amortization expense for the years ended December 31, 2023 and 2022 totaled \$29,001 and \$31,612, respectively.

E. LINES OF CREDIT

The Society maintained a line of credit with a financial institution. The maximum amount available on this line was up to \$100,000. The line is collateralized by the Society's furniture, fixtures, and equipment. The line of credit was due on demand and bore interest at the rate of prime plus 1.5%. At December 31, 2022, the balance on the line of credit was \$0. The Line of Credit was closed June 2023.

F. LEASES

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 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.

**Christian Legal Society
Notes to Financial Statements
December 31, 2023, and 2022**

Future minimum lease payments under this lease are as follows:

Fiscal Year End December 31,	Amount
2024	\$ 88,855
2025	91,076
2026	93,353
2027	83,726
Total	\$ 357,010

For the years ended December 31, 2023, and 2022, rent expense for Christian Legal Society totaled \$81,384 and \$75,644, respectively.

G. CAPITAL LEASE

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 future lease payments are as follows:

Year	Principle Payments
2024	\$ 7,957
2025	2,844
	\$ 10,801

H. NET ASSETS WITH DONOR RESTRICTIONS

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

	2023	2022
Attorney Ministries	\$ 55,087	\$ 78,000
Endowments	1,681,912	1,287,907
Center Staffing	37,958	18,979
Grants	429,543	298,231
Legal Aid	201,928	195,964
LSM Funds	93,689	119,055
CLA Funds	418,842	335,000
Campus Dinner	24,000	24,000
Net assets with donor restrictions	\$ 2,942,959	\$ 2,357,136

Christian Legal Society
Notes to Financial Statements
December 31, 2023, and 2022

For the years ended December 31, 2023, and 2022, net assets in the amount of \$73,763 and \$271,948, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purpose.

I. CONDITIONAL PROMISES TO GIVE (ENDOWMENTS)

The endowments referenced in Note H above refer to two endowment funds setup for CLS. The Founders 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 \$443,345 (plus \$309,000 in qualified pledges) at December 31, 2021. In early 2021 the trustee has confirmed fulfillment of the matching gift requirement of the donor's bequest.

In 2021, CLS established the Starr Family Chair in Religious Liberty, connected to the CLS Center for Law & Religious Freedom, through four equal annual installments of \$250,000, totaling \$1 million (principal). The Starr Chair's primary purpose is to ensure the long-term support for the Center's work for future generations. CLS will raise funds in support of the Starr Chair, using the existence of the Chair, from other donors and interested CLS members. CLS will not utilize or spend the Principal of the Starr Chair as a matter of board policy. The Endowment for the Starr Family Chair was started in 2021 with initial donations of \$253,770. The Endowment raised \$279,341 and \$255,816 in 2023 and 2022, respectively.

The endowment funds are held in trust accounts for CLS and are valued at \$1,681,912 and \$1,287,908 as of December 31, 2023, and 2022, respectively.

J. INVESTMENTS

As of December 31, 2023, the Organization held some cash and some available for sale investments for the endowment funds mentioned in Note I with two brokerage firms. With one firm, the cash was held in low-risk government money market funds and the investments were in conservative stock and bond mutual funds. The Fair Market Values of the investments as of December 31, 2023, and 2022, as determined by the public exchange rates, was \$809,018 and \$722,405, respectively, and the cash in the money market fund was \$0 and \$32,217, respectively. With the other firm, \$1,048,391 and \$534,285, respectively, was all held in cash and CDs. Investments are classified as Level 1 and are readily determinable from exchange values. These cash and investment amounts generated interest and capital gain income of \$91,485 and \$1,783 and holding gains (losses) of \$97,991 and (\$143,846) in the years ended December 31, 2023 and 2022, respectively.

K. 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 expenses totaled \$27,715 and \$19,637 for the years ended December 31, 2023, and 2022, respectively.

Christian Legal Society
Notes to Financial Statements
December 31, 2023, and 2022

L. ALLOCATION OF JOINT ACTIVITIES

During 2023 and 2022, CLS incurred joint costs of approximately \$96,378 and \$80,268, respectively, for website costs and informational materials primarily related to mailings that included fundraising appeals.

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

Joint Activities	2023	2022
Program Services	\$ 76,680	\$ 56,231
Supporting Services:		
Development	19,698	24,037
Administration	-	-
Total	\$ 96,378	\$ 80,268

M. INTEREST EXPENSE

The amount of Interest Expense for the year ended December 31, 2023 and 2022 totaled \$242 and \$2,278, respectively. These expenses are included in Interest Expense, Bank Charges, and Equipment Expenses.

N. OTHER INCOME

Items included in Other Income on the Statement of Activities for the years ended December 31, 2023 and 2022 are listed below:

	2023	2022
Reimbursed Expenses	\$ 1,470	\$ 1,470
Interest/Dividend/Capital Gain	91,485	6,828
ERC Income	266,123	-
Holding Gain(Loss) on Investments	97,991	(143,846)
Total	<u>\$ 457,069</u>	<u>\$ (135,548)</u>

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O. CONCENTRATIONS

For the year ended December 31, 2023, one contributor gave 10.2% of total contributions received. The top 5 donors represent about 33.8% of total contributions for 2022.

For the year ended December 31, 2022, one contributor gave 10.4% of total contributions received. The top 5 donors represent about 33.2% of total contributions for 2022.

P. FINANCIAL ASSETS AVAILABLE FOR THE NEXT YEAR

The Organization has \$3,266,666 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 \$2,457,648. Of the 3,266,666 of financial assets available within 1 year, \$2,942,959 are subject to donor or other contractual restrictions. 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 \$455,488. 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 May 22, 2024, which is the date of these financial statements were available to be issued.