

**C.S. Lewis Institute**  
**Statement of Financial Position**  
**At June 30, 2021 and 2020**

**Assets**

	<b>6/30/2021</b>	<b>6/30/2020</b>
<b>Current Assets</b>		
Cash & Cash Equivalents	\$ 902,145	\$ 626,464
Program Designated Funds	536,796	402,926
Prepaid Expenses	10,674	40,702
Inventory	4,827	4,715
<b>Total Current Assets</b>	<b>1,454,442</b>	<b>1,074,807</b>
<b>Property &amp; Equipment</b>		
Computer Hardware	34,367	24,135
Furniture & Fixtures	3,915	3,915
Accumulated Depreciation	(13,908)	(14,110)
<b>Total Property &amp; Equipment</b>	<b>24,374</b>	<b>13,940</b>
<b>Other Assets</b>		
Security Deposit	3,551	3,551
<b>Total Other Assets</b>	<b>3,551</b>	<b>3,551</b>
<b>Total Assets</b>	<b>\$ 1,482,367</b>	<b>\$ 1,092,298</b>

**Liabilities and Net Assets**

<b>Current Liabilities</b>		
Accrued Liabilities	\$ -	\$ 87,537
Program Designated Liabilities	536,796	402,926
Unearned Revenue	7,000	2,000
Payroll Liabilities	12,818	-
Deferred Rent	31,689	13,591
Current Portion of Lease	3,769	2,818
<b>Total Current Liabilities</b>	<b>592,072</b>	<b>508,872</b>
<b>Long Term Liabilities</b>		
PPP Loan Payable	312,202	157,655
Lease Payable-Long Term	8,867	12,636
<b>Total Long Term Liabilities</b>	<b>321,069</b>	<b>170,291</b>
<b>Total Liabilities</b>	<b>913,141</b>	<b>679,163</b>
<b>Net Assets</b>		
With Donor Restrictions	3,850	2,600
Without Donor Restrictions	565,376	410,535
<b>Total Net Assets</b>	<b>569,226</b>	<b>413,135</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,482,367</b>	<b>\$ 1,092,298</b>

See Notes to Financial Statements

**C.S. Lewis Institute**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenues, Gains and Other Support			
Conferences and Lectures	\$ 15,647	\$ -	\$ 15,647
Discipleship and Mentoring	50,824	-	50,824
Contributions	1,623,593	42,600	1,666,193
Donated Services	172,800	-	172,800
	-	-	-
Total Revenues, Gains and Other Support	1,862,864	42,600	1,905,464
Expenses			
Program	1,559,891	-	1,559,891
General and Administrative	179,668	-	179,668
Development	8,901	-	8,901
Total Expenses	1,748,460	-	1,748,460
Change in Net Assets from Operations	114,404	42,600	157,004
Other Income (Expense)			
Interest Income	120	-	120
Miscellaneous Income	2,269	-	2,269
Interest Expense	(3,302)	-	(3,302)
Total Other Income (Expense)	(913)	-	(913)
<b>Increase (Decrease) in Net Assets</b>	<b>113,491</b>	<b>42,600</b>	<b>156,091</b>
Net Assets, Beginning of Year	410,535	2,600	413,135
Net Assets Released from Restriction	41,350	(41,350)	-
<b>Net Assets, End of Year</b>	<b>\$ 565,376</b>	<b>\$ 3,850</b>	<b>\$ 569,226</b>

See Notes to Financial Statements

**C.S. Lewis Institute**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenues, Gains and Other Support			
Conferences and Lectures	\$ 30,493	\$ -	\$ 30,493
Discipleship and Mentoring	162,677	-	162,677
Contributions	1,450,774	41,093	1,491,867
Donated Services	93,270	-	93,270
	<hr/>	<hr/>	<hr/>
Total Revenues, Gains and Other Support	1,737,214	41,093	1,778,307
Expenses			
Program	1,523,344	-	1,523,344
General and Administrative	268,504	-	268,504
Development	65,475	-	65,475
Total Expenses	<hr/>	<hr/>	<hr/>
	1,857,323	-	1,857,323
Change in Net Assets from Operations	(120,109)	41,093	(79,016)
Other Income (Expense)			
Interest Income	1,626	-	1,626
Miscellaneous Income	769	-	769
Interest Expense	(3,611)	-	(3,611)
Total Other Income (Expense)	<hr/>	<hr/>	<hr/>
	(1,216)	-	(1,216)
<b>Increase (Decrease) in Net Assets</b>	<b>(121,325)</b>	<b>41,093</b>	<b>(80,232)</b>
Net Assets, Beginning of Year	466,367	27,000	493,367
Net Assets Released from Restriction	<hr/>	<hr/>	<hr/>
	65,493	(65,493)	-
<b>Net Assets, End of Year</b>	<b><u>\$ 410,535</u></b>	<b><u>\$ 2,600</u></b>	<b><u>\$ 413,135</u></b>

See Notes to Financial Statements

**C.S. Lewis Institute**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2021**

	<b>Program</b>		<b>General and Administrative</b>	<b>Development</b>	<b>Total</b>
	<b>Without Donor Restrictions</b>	<b>Total</b>			
Expenses					
Conference and Related Expenses	\$ 44,849	\$ 44,849	\$ -	\$ -	\$ 44,849
Discipleship Expenses					
Fellows Programs	135,295	135,295	-	-	135,295
Other Discipleship Programs	15,782	15,782	-	-	15,782
Honoraria	46,000	46,000	-	-	46,000
Newsletters	181,754	181,754	-	-	181,754
Wages and Employee Benefits	764,987	764,987	99,481	-	864,468
Other Discipleship Expenses	22,266	22,266	-	-	22,266
Depreciation	-	-	5,176	-	5,176
Fund Raising	-	-	-	2,273	2,273
Computer Services	59,170	59,170	25,359	-	84,529
Office Supplies	18,796	18,796	2,088	-	20,884
Rent and Facility Expenses	50,155	50,155	6,043	4,230	60,428
Professional Fees	-	-	16,784	-	16,784
Banquet Expenses	266	266	-	2,398	2,664
Phone	9,569	9,569	2,392	-	11,961
Bank Fees	-	-	17,007	-	17,007
Insurance	-	-	5,309	-	5,309
Advertising and Marketing	36,639	36,639	-	-	36,639
Travel and Entertainment	114	114	29	-	143
Miscellaneous	1,449	1,449	-	-	1,449
Donated Services	172,800	172,800	-	-	172,800
Total Expenses	<u>\$ 1,559,891</u>	<u>\$ 1,559,891</u>	<u>\$ 179,668</u>	<u>\$ 8,901</u>	<u>\$ 1,748,460</u>

See Notes to Financial Statements

**C.S. Lewis Institute**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2020**

	<b>Program</b>		<b>General and Administrative</b>	<b>Development</b>	<b>Total</b>
	<b>Without Donor Restrictions</b>	<b>Total</b>			
Expenses					
Conference and Related Expenses	\$ 47,965	\$ 47,965	\$ -	\$ -	\$ 47,965
Discipleship Expenses					
Fellows Programs	270,314	270,314	-	-	270,314
Other Discipleship Programs	30,792	30,792	-	-	30,792
Honoraria	74,510	74,510	-	-	74,510
Newsletters	172,958	172,958	-	-	172,958
Wages and Employee Benefits	706,092	706,092	88,614	-	794,706
Other Discipleship Expenses	25,236	25,236	-	-	25,236
Depreciation	-	-	4,962	-	4,962
Fund Raising	-	-	-	48,190	48,190
Computer Services	21,943	21,943	87,771	-	109,714
Office Supplies	-	-	29,150	-	29,150
Rent and Facility Expenses	50,561	50,561	6,092	4,264	60,917
Professional Fees	-	-	19,727	-	19,727
Banquet Expenses	1,447	1,447	-	13,021	14,468
Phone	18,595	18,595	-	-	18,595
Bank Fees	-	-	22,152	-	22,152
Insurance	-	-	9,946	-	9,946
Advertising and Marketing	7,172	7,172	-	-	7,172
Travel and Entertainment	359	359	90	-	449
Miscellaneous	2,130	2,130	-	-	2,130
Donated Services	93,270	93,270	-	-	93,270
Total Expenses	<u>\$ 1,523,344</u>	<u>\$ 1,523,344</u>	<u>\$ 268,504</u>	<u>\$ 65,475</u>	<u>\$ 1,857,323</u>

See Notes to Financial Statements

**C.S. Lewis Institute**  
**Statement of Cash Flows**  
**For the Years Ended June 30, 2021 and 2020**

	<u>6/30/2021</u>	<u>6/30/2020</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Net Income (loss)	\$ 156,091	\$ (80,232)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	5,176	4,962
(Increase) Decrease in Pledges Receivable	-	48,317
(Increase) Decrease in Designated Funds	(133,870)	(99,844)
(Increase) Decrease in Prepaid Expenses	30,028	30,951
(Increase) Decrease in Inventory	(112)	1,025
Increase (Decrease) in Accrued Liabilities	(87,537)	86,204
Increase (Decrease) in Other Current Liabilities	169,785	64,692
	<u>139,561</u>	<u>56,075</u>
Net Cash Provided (Used) by Operating Activities		
<b><u>Cash Flows from Investing Activities</u></b>		
Cash Payments for the Purchase of Property and Equipment	<u>(15,609)</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	(15,609)	-
<b><u>Cash Flows from Financing Activities</u></b>		
Net Cash Provided by Financing Activities	<u>151,729</u>	<u>155,146</u>
Net Cash Provided (Used) by Financing Activities	<u>151,729</u>	<u>155,146</u>
<b>Net Increase (Decrease) in Cash</b>	<b>\$ 275,681</b>	<b>\$ 211,221</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>\$ 626,464</b>	<b>\$ 415,243</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>\$ 902,145</u></b>	<b><u>\$ 626,464</u></b>
Interest Paid, included in Net Income:	\$ 3,302	\$ 3,611

See Notes to Financial Statements

**C.S. Lewis Institute**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**

**A. ORGANIZATION**

The C.S. Lewis Institute (a non-profit corporation) was founded on August 16th, 1976 to develop disciples who will articulate, defend, share and live their faith in Christ in personal and public life. By equipping thoughtful believers to impact their sphere of influence for Jesus Christ, the Institute seeks to complement and support the work of the Church. The discipleship of heart and mind takes place by means of teaching, readings, and mentoring through:

- Conferences and lectures featuring world-class teachers and thinkers
- Fellows Program: a program with mentoring groups giving theological and spiritual development
- Apologetics/Evangelism Programs: these programs provide a clear understanding of the conversion process, the message of the gospel, and how to share in postmodern culture
- Disciple maker Programs train already mature believers in how to disciple and mentor others in following Jesus Christ
- Audio & Video Resources
  - o Conference Recordings
  - o Podcasts for Discipleship of Heart and Mind
  - o Podcasts on C.S. Lewis
- Publications

**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.

**Use of Estimates and Assumptions** - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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

**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.

**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.

**C.S. Lewis Institute**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**

**Donated Services** - The Organization had volunteers that assisted with executive duties during the year. Volunteers donated time to assist with legal work and research, administrative, and design work. Management estimates the fair market value of these services based on the average market value for the services rendered. Donated services were estimated to be \$172,800 and \$93,270 for the years ended June 30, 2021 and 2020, respectively.

**Cash and Cash Equivalents** - For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Inventory** - Inventory of program supplies consists of educational books, videos and printed information sold or distributed at no cost as a part of the program activities. Inventory is valued at the lower of cost or market. Cost is determined on a first-in, first-out basis. Inventory totaled \$4,827 and \$4,715 as of June 30, 2021 and 2020, respectively.

**Property and equipment** - The Organization capitalizes expenditures exceeding \$500. Computer equipment is stated at cost and is depreciated using the straight-line method over an estimated useful life of three to five years. Furniture and fixtures are stated at cost and depreciated using the straight-line method between three to or the life of the lease. Depreciation Expense for the years ended June 30, 2021 and 2020 was \$4,962 and \$4,962, respectively.

**Functional allocations 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 Internal Revenue Service has recognized the Organization as a Section 501(c) (3) organization exempt from income tax under Section 501(a) of the Internal Revenue Code and applicable income tax regulations of the Commonwealth of Virginia.

**B. DEFINED CONTRIBUTION PLAN**

The Organization has a 403(b) plan. Employees may elect to participate. Contributions by employees for the years ended June 30, 2021 and 2020 were \$44,426 and \$42,620, respectively. There were no matching employer contributions.

**C. LEASES**

On March 3, 2015, the Organization entered into a lease agreement for office space at its current location. The term of the lease started on June 1, 2015 and shall continue for a period of five years unless sooner terminated or extended. Total amount of leased space for office and storage use is approximately 2,243 square feet. Base rent of the new facility is \$4,018.71 per month starting in the 4<sup>th</sup> month of the lease with annual increases of 2.75% based on previous year's base rent through the fifth year. The first three months of free rent was capitalized as "Deferred Rent" and is being recognized over the term of the lease. This lease ended April 12, 2020.



**C.S. Lewis Institute**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**

On November 19, 2019, the Organization entered into a lease agreement for office space at its current location. The term of the lease started on April 13, 2020 and shall continue for a period of seven years unless terminated or renewed within the provision of the lease. Total amount of leased space for office and storage use is approximately 3,214 square feet. Base rent of the new facility is \$5,892 per month starting November 1, 2020, which constitutes six and one-half months of free rent, 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:

<b>Fiscal Year Ended June 30,</b>	<b>Amount</b>
2022	\$ 67,306
2023	69,126
2024	70,991
2025	72,902
2026	74,862
Totals	\$ 355,187

Net Rent expense was \$60,428 and \$60,917 for the years ended June 30, 2021 and 2020, which includes the adjustment for deferred rent in each fiscal year.

The Organization leased a copier in March of 2019. The term was for 60 months at \$510 per month. With an estimated fair market value cost of that equipment being \$18,757 at that time, an interest rate of 21.421% is imputed to recognize the lease payments. The minimum future principle payments on the lease for the next five years are as follows:

<b>Period</b>	<b>Amount</b>
July 1, 2021-June 30, 2022	\$ 3,769
July 1, 2022-June 30, 2023	4,661
July 1, 2023-June 30, 2024	4,206
Totals	\$ 12,636

**D. CONCENTRATIONS OF RISK**

The top five donors made up 20.3% of total contributions received during the fiscal year ended June 30, 2021.

The Organization maintains all its funds in one bank account. As a result, some funds exceed the FDIC limits. As of June 30, 2021 and 2020, the amounts on deposit in excess of FDIC limits was \$679,310 and \$395,611, respectively.

One donor made up 14.5% of total contributions received during the fiscal year ended June 30, 2020.

**C.S. Lewis Institute**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**

The top five donors made up 29.8% of total contributions received during the fiscal year ended June 30, 2020.

**E. NOTES PAYABLE**

The Organization secured a Paycheck Protection Program (PPP) Loan on April 20, 2020. The loan amount was \$157,655. Interest accrues as a rate of 1% per year. Repayment terms are equal monthly principle and interest payments to commence November 1, 2020 with the final payment due April 20, 2022. This Loan was forgiven on July 6, 2021

The Organization secured a second Paycheck Protection Program (PPP) Loan on April 15, 2021. The loan amount was \$154,547. 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 20, 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:

<b>Fiscal Year Ended June 30,</b>	<b>Principle</b>	<b>Balance</b>
2022	\$ 68,004	\$ 86,543
2023	86,543	-
<b>Totals</b>	<b>\$ 154,547</b>	

**F. PREPAID EXPENSES**

The Organization had a prepaid expense of \$12,042 and \$25,702 as of June 30, 2021 and 2020, respectively, which consisted of insurance premiums paid in advance as well as advance payments on future events.

**G. FINANCIAL ASSETS AVAILABLE FOR THE NEXT YEAR**

The Organization has \$902,145 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 \$902,145. 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 \$291,410. 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.

**C.S. Lewis Institute**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**

**H. DATE OF MANAGEMENT'S REVIEW/SUBSEQUENT EVENTS**

In preparing the financial statements, the Organization has evaluated events and transactions for possible recognition or disclosure through November 15, 2021, the date that the financial statements were available to be issued.

The Paycheck Protection Program (PPP) Loan on April 20, 2020 for \$157,655 in Note E was forgiven on July 6, 2021.