



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of  
C.S. Lewis Institute  
Springfield, VA

I have reviewed the accompanying financial statements of C.S. Lewis Institute (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### 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.

### Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of C.S. Lewis Institute and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

### Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Morrow, PC  
November 8, 2023

**C.S. Lewis Institute**  
**Statement of Financial Position**  
**At June 30, 2023 and 2022**

**Assets**

	<b>6/30/2023</b>	<b>6/30/2022</b>
Current Assets		
Cash & Cash Equivalents	\$ 775,148	\$ 668,172
Program Designated Funds	562,373	554,599
Prepaid Expenses	38,446	8,434
Inventory	3,990	4,828
Total Current Assets	1,379,957	1,236,033
Property & Equipment		
Computer Hardware	34,367	34,367
Furniture & Fixtures	3,915	3,915
Accumulated Depreciation	(27,655)	(20,782)
Total Property & Equipment	10,627	17,500
Other Assets		
Security Deposit	3,551	3,551
Total Other Assets	3,551	3,551
<b>Total Assets</b>	<b>\$ 1,394,135</b>	<b>\$ 1,257,084</b>

**Liabilities and Net Assets**

Current Liabilities		
Accrued Liabilities	\$ 28,688	\$ -
Program Designated Liabilities	562,373	564,599
Unearned Revenue	80,125	-
Payroll Liabilities	18,174	6,917
Deferred Rent	20,746	26,217
Current Portion of Lease	4,206	4,661
Total Current Liabilities	714,312	602,394
Long Term Liabilities		
Lease Payable-Long Term	-	4,206
Total Long Term Liabilities	-	4,206
Total Liabilities	714,312	606,600
Net Assets		
With Donor Restrictions	1,600	4,100
Without Donor Restrictions	678,223	646,384
Total Net Assets	679,823	650,484
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,394,135</b>	<b>\$ 1,257,084</b>

**See Accountant's Report and Notes to Financial Statements**

**C.S. Lewis Institute**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenues, Gains and Other Support			
Conferences and Lectures	\$ 52,242	\$ -	\$ 52,242
Discipleship and Mentoring	210,149	-	210,149
Contributions	1,765,337	52,251	1,817,588
Donated Services	170,004	-	170,004
Net Assets Released from Restriction	54,751	(54,751)	-
Total Revenues, Gains and Other Support	2,252,483	(2,500)	2,249,983
Expenses			
Program	2,007,804	-	2,007,804
General and Administrative	195,942	-	195,942
Development	11,756	-	11,756
Total Expenses	2,215,502	-	2,215,502
Change in Net Assets from Operations	36,981	(2,500)	34,481
Other Income (Expense)			
Interest Income	2,357	-	2,357
Interest Expense	(999)	-	(999)
Total Other Income (Expense)	1,358	-	1,358
<b>Increase (Decrease) in Net Assets</b>	<b>38,339</b>	<b>(2,500)</b>	<b>35,839</b>
Net Assets, Beginning of Year	646,384	4,100	650,484
Prior Period Adjustments	(6,500)	-	(6,500)
<b>Net Assets, End of Year</b>	<b>\$ 678,223</b>	<b>\$ 1,600</b>	<b>\$ 679,823</b>

See Accountant's Report and Notes to Financial Statements

**C.S. Lewis Institute**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenues, Gains and Other Support			
Conferences and Lectures	\$ 24,336	\$ -	\$ 24,336
Discipleship and Mentoring	82,013	-	82,013
Contributions	1,610,313	45,100	1,655,413
Donated Services	172,800	-	172,800
Net Assets Released from Restriction	44,850	(44,850)	-
Total Revenues, Gains and Other Support	1,934,312	250	1,934,562
Expenses			
Program	1,954,529	-	1,954,529
General and Administrative	192,140	-	192,140
Development	19,123	-	19,123
Total Expenses	2,165,792	-	2,165,792
Change in Net Assets from Operations	(231,480)	250	(231,230)
Other Income (Expense)			
Interest Income	221	-	221
Miscellaneous Income	1,587	-	1,587
PPP Loan Forgiveness	312,202	-	312,202
Interest Expense	(2,351)	-	(2,351)
Total Other Income (Expense)	311,659	-	311,659
<b>Increase (Decrease) in Net Assets</b>	<b>80,179</b>	<b>250</b>	<b>80,429</b>
Net Assets, Beginning of Year	565,376	3,850	569,226
Prior Period Adjustments	829	-	829
<b>Net Assets, End of Year</b>	<b>\$ 646,384</b>	<b>\$ 4,100</b>	<b>\$ 650,484</b>

See Accountant's Report and Notes to Financial Statements

**C.S. Lewis Institute**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2023**

	<u>Program</u>	<u>General and Administrative</u>	<u>Development</u>	<u>Total</u>
Expenses				
Conference and Related Expenses	\$ 153,279	\$ -	\$ -	\$ 153,279
Discipleship Expenses				
Fellows Programs	284,788	-	-	284,788
Other Discipleship Programs	24,287	-	-	24,287
Honoraria	57,151	-	-	57,151
Newsletters	159,495	-	-	159,495
Wages and Employee Benefits	921,281	118,943	-	1,040,224
Other Discipleship Expenses	42,638	-	-	42,638
Depreciation	-	6,873	-	6,873
Fund Raising	-	-	2,392	2,392
Computer Services	45,618	19,550	-	65,168
Office Supplies	21,469	2,385	-	23,854
Rent and Facility Expenses	58,047	6,994	4,896	69,937
Professional Fees	-	17,206	-	17,206
Banquet Expenses	-	-	4,468	4,468
Phone	8,522	2,131	-	10,653
Bank Fees	-	13,530	-	13,530
Insurance	-	8,082	-	8,082
Advertising and Marketing	50,489	-	-	50,489
Travel and Entertainment	993	248	-	1,241
Miscellaneous	9,743	-	-	9,743
Donated Services	170,004	-	-	170,004
Total Expenses	<u>\$ 2,007,804</u>	<u>\$ 195,942</u>	<u>\$ 11,756</u>	<u>\$ 2,215,502</u>

See Accountant's Report and Notes to Financial Statements

**C.S. Lewis Institute**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2022**

	<u>Program</u>	<u>General and Administrative</u>	<u>Development</u>	<u>Total</u>
Expenses				
Conference and Related Expenses	\$ 98,965	\$ -	\$ -	\$ 98,965
Discipleship Expenses				
Fellows Programs	221,168	-	-	221,168
Other Discipleship Programs	17,450	-	-	17,450
Honoraria	56,435	-	-	56,435
Newsletters	188,625	-	-	188,625
Wages and Employee Benefits	866,775	110,104	-	976,879
Other Discipleship Expenses	41,557	-	-	41,557
Depreciation	-	6,873	-	6,873
Fund Raising	-	-	9,176	9,176
Computer Services	63,290	27,125	-	90,415
Office Supplies	16,501	1,834	-	18,335
Rent and Facility Expenses	56,197	6,771	4,739	67,707
Professional Fees	-	13,927	-	13,927
Banquet Expenses	579	-	5,208	5,787
Phone	9,973	2,493	-	12,466
Bank Fees	-	17,462	-	17,462
Insurance	-	5,426	-	5,426
Advertising and Marketing	141,711	-	-	141,711
Travel and Entertainment	499	125	-	624
Miscellaneous	2,004	-	-	2,004
Donated Services	172,800	-	-	172,800
Total Expenses	<u>\$ 1,954,529</u>	<u>\$ 192,140</u>	<u>\$ 19,123</u>	<u>\$ 2,165,792</u>

See Accountant's Report and Notes to Financial Statements

**C.S. Lewis Institute**  
**Statement of Cash Flows**  
**For the Years Ended June 30, 2023 and 2022**

	<u>6/30/2023</u>	<u>6/30/2022</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Net Income (loss)	\$ 35,839	\$ 80,429
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,873	6,873
(Increase) Decrease in Designated Funds	(7,774)	(17,803)
(Increase) Decrease in Prepaid Expenses	(30,012)	2,240
(Increase) Decrease in Inventory	838	(1)
Increase (Decrease) in Accrued Liabilities	28,688	-
Increase (Decrease) in Other Current Liabilities	83,685	9,431
	<u>118,137</u>	<u>81,169</u>
<b><u>Cash Flows from Financing Activities</u></b>		
Net Cash Provided by Financing Activities	(4,661)	(315,971)
Prior Period Adjustments for Payroll Liabilities	(6,500)	829
	<u>(11,161)</u>	<u>(315,142)</u>
<b>Net Increase (Decrease) in Cash</b>	<b>\$ 106,976</b>	<b>\$ (233,973)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>\$ 668,172</b>	<b>\$ 902,145</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 775,148</b>	<b>\$ 668,172</b>
Interest Paid, included in Net Income:	\$ 999	\$ 2,351

See Accountant's Report and Notes to Financial Statements

**C.S. Lewis Institute**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2023 and 2022**

**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, 2023 and 2022**

**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 \$170,004 and \$172,800 for the years ended June 30, 2023 and 2022, 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 \$3,990 and \$4,828 as of June 30, 2023 and 2022, 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, 2023 and 2022 was \$6,873 and \$6,873, 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, 2023 and 2022 were \$50,700 and \$49,700, respectively. There were no matching employer contributions.

**C. LEASES**

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.

**C.S. Lewis Institute**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2023 and 2022**

Future minimum lease payments for the remaining lease term are as follows:

<b>Fiscal Year Ended June 30,</b>	<b>Amount</b>
2024	70,991
2025	72,902
2026	74,862
2027	60,859
Totals	<u>\$ 279,614</u>

Net Rent expenses were \$69,937 and \$67,707 for the years ended June 30, 2023 and 2022, 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 principal payments on the lease for the next five years are as follows:

<b>Period</b>	<b>Amount</b>
July 1, 2023-March 31, 2024	4,206
Totals	<u>\$ 4,206</u>

**D. CONCENTRATIONS OF RISK**

The top five donors made up 17.6% of total contributions received during the fiscal year ended June 30, 2023.

The Organization maintains all its funds in one bank account. As a result, some funds exceed the FDIC limits. As of June 30, 2023 and 2022, the amounts on deposit in excess of FDIC limits was \$454,878 and \$454,878, respectively.

The top five donors made up 15.4% of total contributions received during the fiscal year ended June 30, 2022.

**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.

**C.S. Lewis Institute**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2023 and 2022**

Repayment terms are equal monthly principal and interest payments to commence November 1, 2021 with the final payment due April 20, 2023. This Loan was forgiven on December 22, 2022.

**F. PRIOR PERIOD ADJUSTMENT**

The \$6,500 of prior period adjustment relates to one transaction from fiscal year ended June 30, 2022, for program designated liabilities.

**G. PREPAID EXPENSES**

The Organization had a prepaid expense of \$38,446 and \$8,434 as of June 30, 2023 and 2022, respectively, which consisted of insurance premiums paid in advance as well as advance payments on future events.

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

The Organization has \$775,148 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 \$775,148. Of these funds, \$1,600 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 \$369,417. 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.

**I. 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 8, 2023, the date that the financial statements were available to be issued.