



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Christian Legal Society

We have audited the accompanying Statement of Financial Position of Christian Legal Society (a nonprofit organization) as of December 31, 2010 and 2009, and the related Statements of Activities and Cash Flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Functional Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Manassas, VA
June 25, 2011

Christian Legal Society
Statement of Financial Position
At December 31, 2010 and 2009

	2010	2009
Assets		
Current Assets		
Cash	\$ 121,439	\$ 209,735
Accounts and Grants Receivable	9,633	45,994
Pledges Receivable, net	39,336	21,239
Unbilled Receivables	18,130	-
Prepaid expenses and other current assets	18,145	1,711
Total Current Assets	206,683	278,679
Property and Equipment, Net	54,193	17,476
Other Assets	5,150	5,150
Total Assets	\$ 266,026	\$ 301,305
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 26,355	\$ 305,155
Lines of Credit	52,612	73,067
Notes Payable- Board Members	-	10,000
Payroll Liabilities	22,766	87,306
Accrued Vacation Expense	22,480	16,835
Accrued Interest Payable	-	3,400
Deferred Revenue	130,809	145,013
Total Current Liabilities	255,022	640,776
Long-Term Liabilities		
Subtenant Security Deposit	1,288	1,288
Notes Payable-Board Members	-	82,000
Total Long-Term Liabilities	1,288	83,288
Total Liabilities	256,310	724,064
Net Assets		
Unrestricted - undesignated	2,216	(463,500)
Temporarily restricted	7,500	40,741
Total Net Assets	9,716	(422,759)
Total Liabilities and Net Assets	\$ 266,026	\$ 301,305

Christian Legal Society
Statement of Activities
For the Years Ended December 31, 2010 and 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue						
Contributions	\$ 905,688	\$ 55,945	\$ 961,633	\$ 614,542	\$ 20,874	\$ 635,416
Grants	295,339		295,339	100,758	263,315	364,073
Membership Dues	252,498		252,498	292,008		292,008
Conference Registration	171,308		171,308	159,681		159,681
Professional Fees	-		-	300,000		300,000
Released from restriction	89,186	(89,186)	-	333,273	(333,273)	-
Sale of Resources	21,181		21,181	32,526		32,526
Total Support & Revenue	1,735,200	(33,241)	1,701,959	1,832,788	(49,084)	1,783,704
Expenses						
Program Services						
Attorney Ministries	197,134	-	197,134	251,072	-	251,072
Legal Aid Ministries	213,710	-	213,710	233,789	-	233,789
Conferences	224,864	-	224,864	241,024	-	241,024
Law Student Ministries	149,460	-	149,460	135,073	-	135,073
Center for Law and Religious Freedom	318,927	-	318,927	786,892	-	786,892
Total Program Services	1,104,095	-	1,104,095	1,647,850	-	1,647,850
Supporting Services:						
Administration	113,240	-	113,240	215,311	-	215,311
Development	135,828	-	135,828	109,800	-	109,800
Total Supporting Services	249,068	-	249,068	325,111	-	325,111
Total Expenses	1,353,163	-	1,353,163	1,972,961	-	1,972,961
Other Income/(Expenses)	83,679	-	83,679	38,551	-	38,551
Increase (Decrease) in Net Assets	\$ 465,716	\$ (33,241)	\$ 432,475	\$ (101,622)	\$ (49,084)	\$ (150,706)
Net Assets, Beginning of Year	\$ (463,500)	\$ 40,741	\$ (422,759)	\$ (361,878)	\$ 89,825	\$ (272,053)
Net Assets, End of Year	\$ 2,216	\$ 7,500	\$ 9,716	\$ (463,500)	\$ 40,741	\$ (422,759)

See the Accompanying Accountant's Report and Notes to the Financial Statements

Christian Legal Society
Schedule of Functional Expenses
For the Year Ended December 31, 2010

	<u>Program Services</u>						<u>Support Services</u>		
	<u>Attorney</u> <u>Ministries</u>	<u>Legal Aid</u> <u>Ministries</u>	<u>Conferences</u>	<u>Law</u> <u>Student</u> <u>Ministries</u>	<u>Center for Law</u> <u>& Religious</u> <u>Freedom</u>	<u>Total</u> <u>Program</u> <u>Services</u>	<u>Administration</u>	<u>Development</u>	<u>Total</u>
Salaries & Benefits	\$ 116,337	\$ 156,935	\$ 40,440	\$ 86,845	\$ 228,371	\$ 628,928	\$ 58,986	\$ 87,242	\$ 775,156
Computer Expenses	3,159	4,289	1,167	2,598	7,712	18,925	1,648	1,857	22,430
Chapter/Membership Support	4,710	14,656	163,135	350	-	182,851	-	-	182,851
Scholarships	-	-	-	24,695	-	24,695	-	-	24,695
Employee Related Expenses	240	629	1,140	65	461	2,535	3,575	-	6,110
Bank Charges	-	-	-	-	-	-	5,935	-	5,935
CLRF-Advocacy	-	-	-	-	28,097	28,097	-	-	28,097
Office Expenses	2,245	180	1,177	8,467	4,235	16,304	16,630	2,547	35,481
Travel	10,013	10,735	8,453	11,080	4,612	44,893	18,556	554	64,003
Headquarters Facility Costs	6,476	10,768	2,930	6,292	17,425	43,891	3,204	4,662	51,757
Equipment & Supplies	4,982	6,172	1,679	3,606	9,988	26,427	1,836	2,673	30,936
Office Services	4,291	7,134	1,941	4,169	14,447	31,982	2,212	10,039	44,233
Caging & Database Management	320	532	145	311	860	2,168	158	230	2,556
CLNet Website Costs	1,011	1,680	457	982	2,719	6,849	500	728	8,077
Publications:									
Christian Lawyer	41,005	-	-	-	-	41,005	-	-	41,005
Conference	-	-	2,200	-	-	2,200	-	-	2,200
Donor Appeal	-	-	-	-	-	-	-	25,296	25,296
Miscellaneous	2,345	-	-	-	-	2,345	-	-	2,345
	<u>\$ 197,134</u>	<u>\$ 213,710</u>	<u>\$ 224,864</u>	<u>\$ 149,460</u>	<u>\$ 318,927</u>	<u>\$ 1,104,095</u>	<u>\$ 113,240</u>	<u>\$ 135,828</u>	<u>\$ 1,353,163</u>

Christian Legal Society
Schedule of Functional Expenses
For the Year Ended December 31, 2009

	<u>Program Services</u>					<u>Support Services</u>			
	<u>Attorney Ministries</u>	<u>Legal Aid Ministries</u>	<u>Conferences</u>	<u>Law Student Ministries</u>	<u>Center for Law & Religious Freedom</u>	<u>Total Program Services</u>	<u>Administration</u>	<u>Development</u>	<u>Total</u>
Salaries & Benefits	\$ 130,233	\$ 152,610	\$ 28,821	\$ 72,351	\$ 421,750	\$ 805,765	\$ 61,941	\$ 56,371	\$ 924,077
Computer Expenses	4,084	-	-	-	744	4,828	4,590	250	9,668
Chapter/Membership Support	8,821	14,461	172,890	20,482	-	216,654	-	-	216,654
Employee Related Expenses	1,225	224	1,709	-	2,271	5,429	2,216	517	8,162
Bank Charges	-	-	146	211	28	385	19,722	27	20,134
CLRF-Advocacy	-	-	-	-	169,156	169,156	-	-	169,156
Office Expenses	1,602	171	14,314	7,826	27,810	51,723	31,053	13,910	96,686
Travel	497	1,303	4,618	5,551	5,238	17,207	72,467	334	90,008
Headquarters Facility Costs	15,393	18,038	3,407	8,552	49,850	95,240	7,323	6,550	109,113
Equipment & Supplies	15,800	18,515	3,497	8,777	51,166	97,755	7,517	6,723	111,995
Office Services	9,266	10,858	2,051	5,148	30,008	57,331	4,407	3,943	65,681
Caging & Database Management	3,883	4,550	859	2,157	12,575	24,024	1,849	1,652	27,525
CLSNNet Website Costs	4,679	5,482	1,035	2,599	15,151	28,946	2,226	1,990	33,162
Publications:									
Christian Lawyer	48,885	-	-	-	-	48,885	-	-	48,885
Conference	-	7,577	7,677	-	-	15,254	-	-	15,254
Donor Appeal	-	-	-	-	-	-	-	13,679	13,679
Dues Renewal	1,950	-	-	-	-	1,950	-	-	1,950
CL Digest	4,754	-	-	-	-	4,754	-	-	4,754
Miscellaneous	-	-	-	1,419	1,145	2,564	-	3,854	6,418
	<u>\$ 251,072</u>	<u>\$ 233,789</u>	<u>\$ 241,024</u>	<u>\$ 135,073</u>	<u>\$ 786,892</u>	<u>\$ 1,647,850</u>	<u>\$ 215,311</u>	<u>\$ 109,800</u>	<u>\$ 1,972,961</u>

Christian Legal Society
Statement of Cash Flows
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 432,475	\$ (150,706)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and Amortization	13,513	19,628
Loss on disposal of property and equipment	-	10,917
Changes in assets and liabilities affecting operations:		
Accounts and Grants receivable	18,231	(22,315)
Pledges receivable, net	(18,097)	48,319
Prepaid expenses and other current assets	(16,434)	4,964
Other Assets	-	10,792
Accounts Payable	(278,800)	217,355
Accrued Expenses	(3,400)	3,400
Accrued Vacation expense	5,645	(45,397)
Payroll Liabilities	(64,540)	39,480
Other Liabilities	-	(5,924)
Deferred Expenses	-	(28,485)
Deferred Revenue	(14,204)	34,115
Net cash used in operating activities	<u>74,389</u>	<u>136,143</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(50,230)</u>	<u>(7,500)</u>
Net cash used in investing activities	<u>(50,230)</u>	<u>(7,500)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (Payments to) lines of credit	(20,455)	12,227
Forgiveness of Debt on Notes Payable	(57,166)	-
Repayments of notes payable	<u>(34,834)</u>	<u>(48,000)</u>
Net cash provided by financing activities	<u>(112,455)</u>	<u>(35,773)</u>
 Net Increase (Decrease) in Cash	\$ (88,296)	\$ 92,870
 Cash, Beginning of Year	\$ 209,735	\$ 116,865
 Cash, End of Year	\$ 121,439	\$ 209,735
 Interest paid during the year	 \$ 409	 \$ 3,353

Christian Legal Society
Notes to Financial Statements
December 31, 2010 and 2009

A. ABOUT THE CHRISTIAN LEGAL SOCIETY (CLS)

History - Founded in 1961, Christian Legal Society (CLS) is a national, non-profit, religious, membership association of lawyers, judges, law professors, law students, paralegals, legal assistants, and associated friends of the society. 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 the last 50 years, CLS members have proclaimed the Word of God and practiced Christian principles through four primary ministries:

Attorney Ministries

CLS attorney chapters throughout the country provide legal professionals with a wide range of opportunities. These include Christian fellowship and spiritual development, discipleship, law student mentoring, contributions to The Christian Lawyer magazine, legal referrals, and volunteer legal service on behalf of the poor and needy.

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 include Bible studies, one-on-one mentoring, student-focused conferences, and faith-based curriculum services to law schools.

Legal Aid Ministries

Since 2000, thousands of CLS members have donated hundreds of thousands of legal service hours to helping the disadvantaged untangle legal issues, seek Christian guidance for personal problems, and understand their rights under the law.

Center for Law and Religious Freedom (CLRF)

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

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting – The accompanying consolidated financial statements of the Society have been prepared on the accrual basis of accounting where revenue is recorded as earned and expenses are recorded as incurred.

Christian Legal Society
Notes to Financial Statements
December 31, 2010 and 2009

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 use of facilities in Birmingham, Alabama, and attorney volunteer hours make up this total. For the years ended December 31, 2010 and 2009, donated materials and services totaled \$6,300 and \$7,420, respectively.

Functional allocation of expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the program services 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, 2010 and 2009 there were no conditional promises to give, while unconditional promises to give were \$39,336 and \$21,239, respectively.

Contributions – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions. As of December 31, 2010 and 2009, the Society had no permanently restricted net assets, while temporarily restricted net assets totaled \$7,500 and \$40,741, respectively.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. When a restriction on a contribution is met in the same period that the contribution was received, the

Christian Legal Society
Notes to Financial Statements
December 31, 2010 and 2009

contribution is reported in the statement of activities as temporarily restricted revenue and as net assets released from restrictions.

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

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:

	<u>2010</u>	<u>2009</u>
Unconditional promises to give before unamortized discount and reserve	\$ 39,336	\$ 21,239
Less: Unamortized discount	-	-
Subtotal	<u>39,336</u>	<u>21,239</u>
Less: Reserve	-	-
Net unconditional promises to give	<u><u>39,336</u></u>	<u><u>21,239</u></u>
Amounts due in:		
Less than one year	\$ 39,336	\$ 21,239
One to five years	-	-
More than five years	-	-
Total gross unconditional promises to give	<u><u>\$ 39,336</u></u>	<u><u>\$ 21,239</u></u>

Christian Legal Society
Notes to Financial Statements
December 31, 2010 and 2009

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:

	<u>2010</u>	<u>Accum Depr</u>	<u>Net</u>
Leasehold Improvements	12,326	10,251	2,075
Furniture	11,490	11,490	-
Equipment	69,093	34,844	34,249
Website and Software	30,334	26,841	3,493
Computers	85,737	71,361	14,376
Trademarks	4,664	4,664	-
	<hr/> 213,644	<hr/> 159,451	<hr/> 54,193
	<u>2009</u>	<u>Accum Depr</u>	<u>Net</u>
Leasehold Improvements	12,326	8,987	3,339
Furniture	11,490	11,490	-
Equipment	33,405	33,405	-
Website and Software	30,334	24,333	6,001
Computers	71,194	63,058	8,136
Trademarks	4,664	4,664	-
	<hr/> 163,413	<hr/> 145,937	<hr/> 17,476

Depreciation and amortization expense for the years ended December 31, 2010 and 2009 totaled \$13,513 and \$19,628, respectively.

E. LINE OF CREDIT

The Society maintains a line of credit with a financial institution up to \$75,000, which 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, 2010 and 2009, the balance on the line of credit was \$37,500 and \$73,067 respectively. The Society also has a consumer credit card with the same financial institution. At December 31, 2010 and 2009, the balance on the consumer credit card was \$15,112 and \$0 respectively.

Christian Legal Society
Notes to Financial Statements
December 31, 2010 and 2009

F. NOTES PAYABLE – BOARD MEMBERS/FORMER BOARD MEMBER SPOUSE

	<u>2010</u>	<u>2009</u>
Note payable (\$65,000) from a board member and spouse, dated September 22, 2008. The board member forgave \$25,000 in principal and the \$5,250 of interest for 2009 in 2009. The board member forgave \$25,000 in principal in 2010. The balance was paid in full in 2010.	\$0	\$40,000
Note payable (\$25,000) from a board member, dated September 15, 2008. The board member forgave \$23,500 in principal in 2010. The balance was paid in full in 2010.	\$0	\$25,000
Note payable (\$10,000) from a board member, dated September 23, 2008. The balance was paid in full in 2010.	\$0	\$10,000
Note payable (\$25,000) from a former board member, dated December 23, 2008. The former board member forgave \$8,000 in principal and the \$1,750.00 of interest for 2009 in 2009. The board member forgave \$8,666 in principal in 2010. The balance was paid in full in 2010.	\$0	\$17,000
Total	\$0	\$92,000

G. LEASES

The Organization was obligated to pay on a lease for 9,565 square feet in an office building on the third floor of 8100 Braddock Road, Springfield, Virginia. The lease ran through the end of October 2010. The base rent increased at a rate of 3% per year. This lease was re-negotiated effective December 1, 2009. The Organization is now obligated to pay on a lease for 3,089 square feet. The lease runs through November 30, 2014, but is terminable by Christian Legal Society at any point on 12-months' advance written notice to the Lessor. The following is a schedule for future minimum lease payments at December 31, 2010:

For the years ending December 31,	Rent Out	Rents In	Net
2011	63,789	15,914	47,875
2012	65,706	16,391	49,315
2013	67,677	16,883	50,794
2014	63,739	15,940	47,799
Total	\$ 260,911	\$ 65,128	\$ 195,783

**Christian Legal Society
Notes to Financial Statements
December 31, 2010 and 2009**

Christian Legal Society also subleased portions of this facility to three other organizations: Child Evangelism Fellowship (CEF), Advocates International, and C.S. Lewis Institute. After the renegotiated lease per paragraph above Advocates International and C. S. Lewis Institute ceased to be subtenants of CLS, CEF remains a subtenant. CEF's sublease runs through the end of November 2014, and their base rent increases at 3% per year. CEF currently subleases 722 square feet. Advocates International subleased 1,755 square feet and C.S. Lewis Institute subleased 2,118 square feet up until November 30, 2009.

For the years ended December 31, 2010 and 2009, rent expense for Christian Legal Society totaled \$70,886 and \$204,461, respectively.

H. RELATED PARTY TRANSACTIONS

A former officer of the Society, up unto June 3, 2009, is a partial owner and Chief Operating Officer of a web-base vendor that the Society had contracted with. During 2010 and 2009, the Society was invoiced \$0 and \$11,101, respectively, for these services of which \$0 and \$11,101, respectively, was to be paid in cash and \$0 and \$0, respectively, was considered contributed services.

A Board of Director for the Society is a partial owner of a Law Firm that the Society had contracted with. During 2010 and 2009, the Society was invoiced \$13,701 and \$4,056, respectively, for these services. At December 31, 2010 and 2009 the amounts due to the Law Firm included in accounts payable were \$4,190 and \$0, respectively.

I. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31 are available for the following purposes:

	<u>2010</u>	<u>2009</u>
Program Assistance	\$ 7,500	\$ 40,741
Total temporarily restricted net assets	\$ 7,500	\$ 40,741

Net assets restricted for program assistance include items for the Alliance Defense Fund, Christian legal aid, conference and scholarships.

For the years ended December 31, 2010 and 2009, net assets in the amount of \$89,186 and \$404,437, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purpose, which related to the Alliance Defense Fund, conference, scholarships and other expenses.

J. RETIREMENT PLAN

The Society maintains a tax deferred annuity pension 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

Christian Legal Society
Notes to Financial Statements
December 31, 2010 and 2009

participant. Pension expense totaled \$4,411 and \$18,619 for the years ended December 31, 2010 and 2009, respectively.

K. ALLOCATION OF JOINT ACTIVITIES

During 2010 and 2009, CLS incurred joint costs of approximately \$78,923 and \$124,102, 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:

	<u>2010</u>	<u>2009</u>
Program Services	52,399	102,353
Supporting Services:		
Development	26,024	19,523
Administration	500	2,226
Total	78,923	124,102

L. INTEREST EXPENSE

The amount of Interest Expense for the year ended December 31, 2010 and 2009 totaled \$409 and \$24,396, respectively. These expenses are included in Bank Charges and Equipment Expenses.

M. OTHER INCOME

Items included in Other Income on the Statement of Activities for the year ended December 31, 2010 are listed below:

Foregiveness of Debt	\$	66,876
Interest income		20
Net apprec (deprec) investments		251
Reimbursed Expenses		17,512
Miscellaneous		(980)
Total	\$	83,679

Christian Legal Society
Notes to Financial Statements
December 31, 2010 and 2009

Items included in Other Income on the Statement of Activities for the year ended December 31, 2009 are listed below:

Honoraria	\$	200
Interest income		83
Net apprec (deprec) investments		353
Other Nonoperating/Royalties		713
Refunds & Cancellations		(1,563)
Reimbursed Expenses		38,640
AFBO Membership		125
Total	<u>\$</u>	<u>38,551</u>

N. SUBSEQUENT EVENTS

Subsequent events have been evaluated through information known as of June 25, 2011 which is the date of these financial statements were available to be issued.