

DEREK PRINCE MINISTRIES—
INTERNATIONAL, INC
FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022
AND
INDEPENDENT AUDITOR'S REPORT

FRANKLIN & FRANKLIN, PA
CERTIFIED PUBLIC ACCOUNTANTS

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DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

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FRANKLIN & FRANKLIN, PA

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Derek Prince Ministries - International, Inc.
Charlotte, North Carolina

Opinion

We have audited the accompanying financial statements of Derek Prince Ministries - International, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Derek Prince Ministries - International, Inc. as of September 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years 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 Derek Prince Ministries - International, Inc. 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 combined 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 combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Derek Prince Ministries - International, Inc.'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 combined 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, including omissions, 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 combined 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 combined 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 combined 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 Derek Prince Ministries - International, Inc.'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Derek Prince Ministries - International, Inc.'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.

Franklin & Franklin, PA

Franklin & Franklin, PA
Matthews, North Carolina

November 17, 2023

DEREK PRINCE MINISTRIES-INTERNATIONAL, INC.

STATEMENTS OF FINANCIAL POSITION SEPTEMBER 30, 2023 AND 2022

	September 30, 2023	September 30, 2022
ASSETS		
CURRENT ASSETS:		
Cash and equivalents - without donor restrictions	\$ 3,646,353	\$ 3,051,881
Cash and equivalents - with donor restrictions	556,723	398,742
Investments-short-term	1,239,513	1,608,793
Accounts receivable, net of allowance of \$-0- for 2023 and \$-0- for 2022	4,441	9,607
Sales tax receivable	6,882	6,009
Inventory	253,079	216,248
Prepaid expenses	102,285	53,920
Total Current Assets	5,809,276	5,345,200
PROPERTY AND EQUIPMENT:		
Building, furniture and equipment	1,589,458	1,585,971
Less accumulated depreciation	(907,415)	(817,616)
Total Property and Equipment	682,043	768,355
OTHER ASSETS-INVESTMENTS	401,086	-
TOTAL ASSETS	<u>\$ 6,892,405</u>	<u>\$ 6,113,555</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 8,104	\$ 9,045
Accrued expenses	110,597	97,987
	118,701	107,032
LONG-TERM DEBT	-	-
TOTAL LIABILITIES	118,701	107,032
NET ASSETS:		
Net assets without donor restrictions	6,057,024	5,252,180
Net assets reallocated by the board for designated purposes	159,957	355,601
Net assets with donor restrictions	556,723	398,742
TOTAL NET ASSETS	<u>6,773,704</u>	<u>6,006,523</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,892,405</u>	<u>\$ 6,113,555</u>

DEREK PRINCE MINISTRIES-INTERNATIONAL, INC.

STATEMENTS OF ACTIVITIES YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	Years Ended	
	September 30, 2023	September 30, 2022
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenue and Support:		
Contributions	\$ 3,144,714	\$ 2,814,810
Sales	185,111	209,712
Royalties	109,360	92,926
Other income	-	227
Investment income	35,919	(631)
Total Revenue and Support	3,475,104	3,117,044
Net Assets Released from Restrictions:		
Satisfaction of donor restrictions	812,961	1,089,215
Total Revenue and Support Without Donor Restrictions	4,288,065	4,206,259
Expenses:		
Cost of sales	264,718	254,490
Program services	2,070,726	2,842,522
Supporting services	1,006,437	880,583
Fund raising	141,340	149,229
Total Expenses	3,483,221	4,126,824
Change in Net Assets Without Donor Restrictions	804,844	79,435
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	701,216	1,292,061
Transfer from international offices	74,082	131,981
Reallocation of undesignated funds by Board of Directors	195,644	(289,201)
Net Assets Released from Restrictions	(812,961)	(1,089,215)
Change in Net Assets with Donor Restrictions	157,981	45,626
REALLOCATION OF UNDESIGNATED FUNDS BY BOARD OF DIRECTORS	(195,644)	289,201
CHANGE IN NET ASSETS	767,181	414,262
NET ASSETS AT BEGINNING OF FISCAL YEAR	6,006,523	5,592,261
NET ASSETS AT END OF FISCAL YEAR	\$ 6,773,704	\$ 6,006,523

DEREK PRINCE MINISTRIES--INTERNATIONAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2023

	COST OF SALES	PROGRAM EXPENSES	SUPPORTING SERVICES	FUND RAISING	OCCUPANCY EXPENSES	TOTAL
Advertising	\$ 559	\$ -	\$ -	\$ -	\$ -	\$ 559
Airtime	-	14,269	-	1,090	-	15,359
Vehicle expense	-	-	5,040	-	-	5,040
Bank and credit card charges	8,656	-	36,971	-	-	45,627
Building repairs and maintenance	-	-	-	-	11,246	11,246
Contract services	815	206,857	29,516	-	-	237,188
Depreciation	-	15,003	64,302	10,494	-	89,799
Domestic outreach	-	69,150	-	-	-	69,150
Donor relations	-	-	-	25,857	-	25,857
Dues and subscriptions	-	-	7,788	-	-	7,788
Freight, shipping and postage	32,748	-	15,543	-	-	48,291
Insurance	-	-	-	-	10,770	10,770
Ministry Outreach	-	810,404	-	-	-	810,404
Janitorial	-	-	-	-	18,808	18,808
Less international office reimbursement	-	-	(32,816)	-	-	(32,816)
Materials	92,914	-	-	-	-	92,914
Direct mail expense, including partner letters	-	34,387	-	19,183	-	53,570
Operating supplies and other operating expenses	-	-	42,316	-	-	42,316
Other	584	0	4,215	-	-	4,799
Production expense	-	9,373	-	-	-	9,373
Professional fees	-	-	81,128	-	-	81,128
Repairs and maintenance	-	-	233,392	-	-	233,392
Salaries and benefits	112,510	848,451	413,375	78,471	-	1,452,807
Telephone	-	-	-	-	22,964	22,964
Travel, meetings and seminars	-	-	89,186	-	-	89,186
Utilities	-	-	-	-	16,747	16,747
Web site	-	17,811	-	3,144	-	20,955
Occupancy	15,932	45,021	16,481	3,101	(80,535)	-
	<u>\$ 264,718</u>	<u>\$ 2,070,726</u>	<u>\$ 1,006,437</u>	<u>\$ 141,340</u>	<u>\$ -</u>	<u>\$ 3,483,221</u>

See accompanying notes and independent auditor's report.

DEREK PRINCE MINISTRIES--INTERNATIONAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED SEPTEMBER 30, 2022

	COST OF SALES	PROGRAM EXPENSES	SUPPORTING SERVICES	FUND RAISING	OCCUPANCY EXPENSES	TOTAL
Advertising	\$ 3,267	\$ -	\$ -	\$ -	\$ -	\$ 3,267
Airtime	-	28,933	-	2,178	-	31,111
Vehicle expense	-	-	10,423	-	-	10,423
Bank and credit card charges	9,850	-	40,089	-	-	49,939
Building repairs and maintenance	-	-	-	-	25,958	25,958
Contract services	7,195	185,170	52,955	-	-	245,320
Depreciation	-	12,669	63,050	8,862	-	84,581
Domestic outreach	-	67,683	-	-	-	67,683
Donor relations	-	-	-	22,276	-	22,276
Dues and subscriptions	-	-	7,187	-	-	7,187
Freight, shipping and postage	28,178	-	15,975	-	-	44,153
Insurance	-	-	-	-	12,132	12,132
Ministry Outreach	-	1,560,903	-	-	-	1,560,903
Janitorial	-	-	-	-	19,711	19,711
Less international office reimbursement	-	-	(28,292)	-	-	(28,292)
Materials	82,984	-	-	-	-	82,984
Direct mail expense, including partner letters	-	44,611	-	28,591	-	73,202
Operating supplies and other operating expenses	-	-	42,640	-	-	42,640
Other	604	2,000	2,348	-	-	4,952
Production expense	-	33,485	-	-	-	33,485
Professional fees	-	-	34,075	-	-	34,075
Repairs and maintenance	-	-	180,777	-	-	180,777
Salaries and benefits	104,092	819,137	384,533	77,384	-	1,385,146
Telephone	-	-	-	-	21,259	21,259
Travel, meetings and seminars	-	-	56,339	-	-	56,339
Utilities	-	-	-	-	14,157	14,157
Web site	-	35,238	-	6,218	-	41,456
Occupancy	18,320	52,693	18,484	3,720	(93,217)	-
	\$ 254,490	\$ 2,842,522	\$ 880,583	\$ 149,229	\$ -	\$ 4,126,824

See accompanying notes and independent auditor's report.

DEREK PRINCE MINISTRIES-INTERNATIONAL, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	September 30, 2023	September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 767,181	\$ 414,262
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	89,799	84,581
Change in:		
investments	(31,806)	1,460
accounts receivable	5,166	(7,577)
inventory	(36,831)	(29,317)
prepaid expense	(48,365)	(3,466)
other receivables	(873)	12,463
accounts payable	(941)	(11,414)
accrued expenses	12,610	17,392
Net Cash Provided by Operating Activities	755,940	478,384
CASH FLOWS FROM INVESTING ACTIVITIES:		
Maturity of investments	-	200,000
Purchase of investments	-	-
Disposal of property and equipment	-	-
Purchase of property and equipment	(3,487)	(152,344)
Net Cash Used for Investing Activities	(3,487)	47,656
NET CHANGE IN CASH AND CASH EQUIVALENTS	752,453	526,040
CASH AND CASH EQUIVALENTS, Beginning of fiscal year	3,450,623	2,924,583
CASH AND CASH EQUIVALENTS, End of fiscal year	\$ 4,203,076	\$ 3,450,623

SUPPLEMENTAL DATA

The Ministries paid no income tax during 2023 or 2022.

The Ministries paid interest of \$-0- during 2023, and \$-0- during 2022.

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Derek Prince Ministries—International, Inc. (the “Ministry”) was incorporated on December 18, 1990, and is located in Charlotte, North Carolina. The Ministry is involved in developing books, audio materials, video materials, and other teaching materials related to evangelism that it distributes worldwide in more than 100 languages. The distribution of the material is made through donations to international outreach offices and sales to the general public. It also prepares evangelical radio programs for worldwide distribution. These outreach efforts are primarily supported by contributions. Reverend Derek Prince was the founding teacher.

Various Ministry offices exist throughout the world that are separate nonprofit corporations, formed under the laws of the respective countries in which they operate. These corporations are governed by independent Boards of Directors; therefore, the results of their operations have not been included in these financial statements.

Basis of Accounting

Basis of accounting refers to when revenue and expenses are recognized in the accounts and reported in the financial statements. The Ministry uses the accrual basis of accounting as required by generally accepted accounting principles, whereby revenue is recognized when it is earned and expenses are recognized when they are incurred.

Financial Statement Presentation

In accordance with Financial Accounting Standards Board ASC Topic 958, *Financial Statements for Not-For-Profit Entities*, the Ministry is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are those currently available for use in the operations of the Ministry under the direction of the Board.

Net assets with donor restrictions are those stipulated by donors for specific purposes or those not currently available for use until commitments regarding their use have been fulfilled or lifetime beneficiary interest have ceased.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand and time deposits, and money market accounts that mature within one year. As of September 30, 2023 and 2022, demand deposits and money market accounts consist of cash deposited in banks in the amount of \$4,186,252 and \$3,437,888, and in unsecured money market funds in national investment companies in the amount of \$16,824 and \$12,735 respectively. Cash and cash equivalents exceeded FDIC limits at September 30, 2023 by \$3,957,286. Management believes these financial institutions have strong credit ratings and that credit risk related to these deposits is minimal.

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2023 AND 2022

Accounts Receivable

Accounts receivable consist of outstanding amounts due from the sale of religious material or other receivables due from affiliates. Management closely monitors the outstanding balances of accounts receivable and establishes an allowance for doubtful accounts when deemed necessary.

Inventory

Inventories are valued at the lower of cost or market using the last in—first out (LIFO) cost method and consist of books, audio materials, video materials, and other teaching materials.

	September 30, <u>2023</u>	September 30, <u>2022</u>
Books	\$245,587	\$208,370
Other teaching materials	<u>7,492</u>	<u>7,878</u>
	<u>\$253,079</u>	<u>\$216,248</u>

Property and Equipment

Property and equipment are stated at cost or, in the case of items contributed, the estimated fair value of the item at the date of receipt. Additions, improvements and expenditures for repairs and maintenance that significantly add to the productivity or extend the economic life of the assets are capitalized if they cost \$500 or more. Other expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation is calculated using the straight-line method based on estimated useful lives ranging from three to forty years. When assets are retired, the assets and related accumulated depreciation are removed from the respective accounts and any profit or loss on the dispositions credited or charged to income. Depreciation expense was \$89,799 and \$84,581 for 2023 and 2022, respectively.

A summary of property is as follows:	September 30, <u>2023</u>	September 30, <u>2022</u>
Cost:		
Buildings and improvements	\$ 995,285	\$ 995,285
Furniture and equipment	<u>594,173</u>	<u>590,686</u>
	1,589,458	1,585,971
Accumulated Depreciation	<u>(907,415)</u>	<u>(817,616)</u>
Net Property	<u>\$ 682,043</u>	<u>\$ 768,355</u>

Net Assets With Donor Restrictions and Net Assets Reallocated by the Board for Designated Purposes

Net assets with donor restrictions of \$556,723 and \$398,742 for 2023 and 2022, respectively, relate to unspent contributions received by the Ministry, which have been designated by the donor for specific outreach programs. Additionally, \$159,957 at September 30, 2023 and \$355,601 at September 30, 2022 represents a reallocation of undesignated funds by the Board of Directors for designated purposes.

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2023 AND 2022

Revenue and Support

The Ministry receives revenue primarily from contributions and sales of books and other materials. Sale prices of the materials are fixed by the Ministry and are intended to represent the direct and indirect costs of producing them.

The Ministry reports gifts and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The Ministry reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Ministry reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions received in the form of securities are recorded at fair market value at the date of receipt. The Ministry's policy is to sell the securities shortly after receipt. Additionally, supporters of the Ministry provide volunteer service in various activities of the Ministry, which are not recorded as revenue.

Expenses

The Ministry classifies its expenses on a functional basis under the following categories:

- 1) Cost of sales – direct and indirect costs related to cost of teaching materials.
- 2) Program Service Expenses - direct and indirect costs related to providing ministry services.
- 3) Fund Raising Expenses - direct and indirect costs of all activities that constitute an appeal for financial support.
- 4) Supporting Service Expenses - all other costs not directly related to program services or fund raising expenses.

Salaries, fringe benefits and other indirect expenses were allocated between program services, supporting services, and fund raising based on various allocation factors. See Note 6 for a schedule of joint cost allocation.

Advertising Costs

Advertising costs are charged to expense as incurred. Total advertising costs were \$559 and \$3,267 for 2023 and 2022, respectively.

Freight and Shipping

Freight and shipping costs are charged to expense as incurred. These costs are reflected in the schedule of joint cost allocation reflected in Note 6.

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2023 AND 2022

Income Taxes

The Ministry has been granted an exemption from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered to be a private foundation. Accordingly, no provision for income taxes is provided in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

New Accounting Standards

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, Leases. The FASB also subsequently issued additional ASUs, which amend and clarify Topic 842. Implementation of this pronouncement is effective for years beginning after December 15, 2021. The most significant change in the new leasing guidance is the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the statement of financial position. The Ministry has considered this new pronouncement and it has identified that it has no leases subject to this pronouncement. The Ministry has expensed the payments based on the previous pronouncement.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable related to the sale of religious material or other receivables due from affiliates and other customers at September 30, 2023 and 2022 is comprised of the following:

	September 30, <u>2023</u>	September 30, <u>2022</u>
Due from international affiliates	\$ 3,598	\$ 5,567
Due from commercial customers	<u>843</u>	<u>4,040</u>
	4,441	9,607
Less allowance for doubtful accounts	<u>-0-</u>	<u>-0-</u>
	<u>\$ 4,441</u>	<u>\$ 9,607</u>

NOTE 3 - INVESTMENTS AND INVESTMENT INCOME

Investments are comprised of a short-term income fund and certificates of deposit in the amount of \$1,239,513 and \$1,608,793 at September 30, 2023 and 2022, respectively, and certificates of deposit with a maturity beyond one year of \$401,086 and \$-0- at September 30, 2023 and 2022 respectively and are reported at fair value. A summary of investment income for 2023 and 2022 is as follows:

	Year Ended September 30, <u>2023</u>	Year Ended September 30, <u>2022</u>
Interest and dividends	\$ 34,781	\$ 2,690
Increase (decrease) in value of investments	<u>1,137</u>	<u>(3,321)</u>
	<u>\$ 35,919</u>	<u>\$ (631)</u>

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Statement of Financial Accounting Standards ASC and other valuation methodologies in accordance with Statement of Financial Accounting Standards ASC Topic 825, *Disclosures About Fair Value of Financial Instruments* and FASB ASC Topic 820, *Fair Value Measurements* require fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

Level 1- Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2- Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3- Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As of September 30, 2023, and 2022, the Ministry's investments are classified as a Level 1 assets.

NOTE 5 - RELATED PARTY TRANSACTIONS

Various Ministry offices exist throughout the world that are separate nonprofit corporations, formed under the laws of the respective countries in which they operate. These corporations are governed by independent Boards of Directors; therefore, the results of their operations have not been included in these financial statements. The Ministry made contributions to international outreach offices of \$620,827 and \$1,391,176 for 2023 and 2022, respectively, based on designated contributions made to the Ministry by various donors. Additionally, these offices reimbursed Derek Prince Ministries—International, Inc. for operating expenses of \$32,816 for the year ended September 30, 2023 and \$28,292 for the year ended September 30, 2022, which is reflected herein as a reduction of operating expenses. Two members of the Ministry Board of Directors were also members of the independent Board of Directors of Canada. They periodically met with the organization to be certain that its relationship with the Ministry was properly maintained.

Additionally, the outstanding amount due from international affiliates is \$3,598 and \$5,567 at September 30, 2023 and 2022, as reflected in Note 2.

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 6 - ALLOCATION OF JOINT COSTS

Joint costs were allocated to functional activities as follows:

Year Ended September 30, 2023	<u>Ministry Program Expenses</u>				
	<u>Cost of Sales</u>	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries and benefits	\$112,510	\$848,451	\$413,375	\$ 78,471	\$1,452,807
Occupancy	15,932	45,021	16,481	3,101	80,535
Airtime	-0-	14,269	-0-	1,090	15,359
Freight and Shipping	<u>32,748</u>	<u>-0-</u>	<u>15,543</u>	<u>-0-</u>	<u>48,291</u>
	<u>\$161,190</u>	<u>\$907,741</u>	<u>\$445,399</u>	<u>\$ 82,662</u>	<u>\$1,596,992</u>

Year Ended September 30, 2022	<u>Ministry Program Expenses</u>				
	<u>Cost of Sales</u>	<u>Program Services</u>	<u>Supporting Services</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries and benefits	\$104,092	\$819,137	\$ 384,533	\$ 77,384	\$1,385,146
Occupancy	18,320	52,693	18,484	3,720	93,217
Airtime	-0-	28,933	-0-	2,178	31,111
Freight and Shipping	<u>28,178</u>	<u>-0-</u>	<u>15,975</u>	<u>-0-</u>	<u>44,153</u>
	<u>\$150,590</u>	<u>\$900,763</u>	<u>\$418,992</u>	<u>\$ 83,282</u>	<u>\$1,553,627</u>

NOTE 7 - RETIREMENT PLAN

The Ministry provides a Section 403(b) retirement plan for all eligible employees. During the year ended September 30, 2023, the Ministry paid \$10,389 as a two percent match of salary for eligible employees plus a contribution of \$5,285 for certain board-approved employees for a total of \$15,674. \$14,399 was paid for the year ended September 30, 2022. Such amounts are reflected in salaries and benefits.

NOTE 8 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

	September 30, 2023	September 30, 2022
Financial assets, at year end	\$5,453,912	\$5,075,032
Less those unavailable for general expenditures within one year, due to: Subject to appropriation and satisfaction of donor restrictions	<u>(556,723)</u>	<u>(398,742)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$4,897,189</u>	<u>\$4,676,290</u>

The Ministry has \$4,897,189 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash of \$3,646,353, receivables of \$11,213, and short-term investments of \$1,239,513. Additionally, \$159,957 at September 30, 2023 and \$355,601 at September 30, 2022 was reallocated by the board for designated purposes.

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2023 AND 2022

NOTE 9 - LEASES

The Ministry is committed to leases for office equipment with payments of \$453-\$885 for thirty-nine to forty-eight months. Lease expense was \$60,736 for 2023 and \$74,307 for 2022 and is reflected in operating supplies and operating expenses. A summary of commitments for the next five years is as follows:

September 30, 2024	\$ 20,091
2025	18,709
2026	17,360
2027	3,538
2028	-0-

NOTE 10 - SUBSEQUENT EVENTS ANALYSIS

Management has evaluated subsequent events through November 17, 2023, the date on which the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.