

DEREK PRINCE MINISTRIES—
INTERNATIONAL, INC
FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2024 AND 2023
AND
INDEPENDENT AUDITOR'S REPORT

FRANKLIN & FRANKLIN, PA
CERTIFIED PUBLIC ACCOUNTANTS

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DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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 8, 2024

DEREK PRINCE MINISTRIES-INTERNATIONAL, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2024 AND 2023

	September 30, 2024	September 30, 2023
ASSETS		
CURRENT ASSETS:		
Cash and equivalents - without donor restrictions	\$ 3,417,190	\$ 3,646,353
Cash and equivalents - with donor restrictions	1,057,068	556,723
Investments-short-term	1,056,395	1,239,513
Accounts receivable, net of allowance of \$-0- for 2024 and \$-0- for 2023	1,690	4,441
Sales tax receivable	1,958	6,882
Inventory	317,171	253,079
Prepaid expenses	120,566	102,285
Total Current Assets	5,972,038	5,809,276
PROPERTY AND EQUIPMENT:		
Building, furniture and equipment	1,694,337	1,589,458
Less accumulated depreciation	(999,452)	(907,415)
Total Property and Equipment	694,885	682,043
OTHER ASSETS-INVESTMENTS	-	401,086
TOTAL ASSETS	\$ 6,666,923	\$ 6,892,405
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 2,380	\$ 8,104
Accrued expenses	161,642	110,597
	164,022	118,701
LONG-TERM DEBT	-	-
TOTAL LIABILITIES	164,022	118,701
NET ASSETS:		
Net assets without donor restrictions	5,113,860	6,057,024
Net assets reallocated by the board for designated purposes	331,973	159,957
Net assets with donor restrictions	1,057,068	556,723
TOTAL NET ASSETS	6,502,901	6,773,704
TOTAL LIABILITIES AND NET ASSETS	\$ 6,666,923	\$ 6,892,405

DEREK PRINCE MINISTRIES-INTERNATIONAL, INC.

STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	Years Ended	
	September 30, 2024	September 30, 2023
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenue and Support:		
Contributions	\$ 2,701,138	\$ 3,144,714
Sales	161,490	185,111
Royalties	120,527	109,360
Other income	80,119	-
Investment income	54,766	35,919
	3,118,040	3,475,104
Net Assets Released from Restrictions:		
Satisfaction of donor restrictions	1,093,695	812,961
	4,211,735	4,288,065
Expenses:		
Cost of sales	241,614	264,718
Program services	3,592,189	2,070,726
Supporting services	1,108,164	1,006,437
Fund raising	212,932	141,340
	5,154,899	3,483,221
Change in Net Assets Without Donor Restrictions	(943,164)	804,844
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	1,583,906	701,216
Transfer from international offices	182,150	74,082
Reallocation of undesignated funds by Board of Directors	(172,016)	195,644
Net Assets Released from Restrictions	(1,093,695)	(812,961)
	500,345	157,981
REALLOCATION OF UNDESIGNATED FUNDS BY BOARD OF DIRECTORS	172,016	(195,644)
CHANGE IN NET ASSETS	(270,803)	767,181
NET ASSETS AT BEGINNING OF FISCAL YEAR	6,773,704	6,006,523
NET ASSETS AT END OF FISCAL YEAR	\$ 6,502,901	\$ 6,773,704

DEREK PRINCE MINISTRIES--INTERNATIONAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED SEPTEMBER 30, 2024

	COST OF SALES	PROGRAM EXPENSES	SUPPORTING SERVICES	FUND RAISING	OCCUPANCY EXPENSES	TOTAL
Advertising	\$ 2,620	\$ -	\$ -	\$ -	\$ -	2,620
Airtime	-	8,885	-	724	-	9,609
Vehicle expense	-	-	10,790	-	-	10,790
Bank and credit card charges	10,456	-	42,309	-	-	52,765
Building repairs and maintenance	-	-	-	-	13,815	13,815
Contract services	739	206,580	120,761	-	-	328,080
Depreciation	-	15,003	66,540	10,494	-	92,037
Domestic outreach	-	72,716	-	-	-	72,716
Donor relations	-	-	-	18,404	-	18,404
Dues and subscriptions	-	-	6,377	-	-	6,377
Freight, shipping and postage	33,108	-	14,311	-	-	47,419
Insurance	-	-	-	-	11,449	11,449
Ministry Outreach	-	2,160,122	-	-	-	2,160,122
Janitorial	-	-	-	-	21,426	21,426
Less international office reimbursement	-	-	(26,285)	-	-	(26,285)
Materials	60,681	-	-	-	-	60,681
Direct mail expense, including partner letters	-	41,615	-	29,896	-	71,511
Operating supplies and other operating expenses	-	-	46,670	-	-	46,670
Other	448	5,000	1,326	-	-	6,774
Production expense	-	8,342	-	-	-	8,342
Professional fees	-	-	36,854	-	-	36,854
Repairs and maintenance	-	-	183,972	-	-	183,972
Salaries and benefits	-	-	498,403	144,994	-	1,765,946
Telephone	116,490	1,006,059	-	-	-	26,897
Travel, meetings and seminars	-	-	88,020	-	-	88,020
Utilities	-	-	-	-	16,280	16,280
Web site	-	18,460	-	3,148	-	21,608
Occupancy	17,072	49,407	18,116	5,272	(89,867)	-
	\$ 241,614	\$ 3,592,189	\$ 1,108,164	\$ 212,932	\$ -	\$ 5,154,899

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	-	809,178	-	-	-	809,178
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	-	10,599	-	-	-	10,599
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)	-
	\$ 264,718	\$ 2,070,726	\$ 1,006,437	\$ 141,340	\$ -	\$ 3,483,221

DEREK PRINCE MINISTRIES-INTERNATIONAL, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	September 30, 2024	September 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (270,803)	\$ 767,181
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	92,037	89,799
Change in:		
investments	183,118	(31,806)
accounts receivable	2,751	5,166
inventory	(64,092)	(36,831)
prepaid expense	(18,281)	(48,365)
other receivables	4,924	(873)
accounts payable	(5,724)	(941)
accrued expenses	51,045	12,610
Net Cash Provided by Operating Activities	<u>(25,025)</u>	<u>755,940</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Maturity of investments	401,086	-
Disposal of property and equipment	-	-
Purchase of property and equipment	(104,879)	(3,487)
Net Cash Used for Investing Activities	<u>296,207</u>	<u>(3,487)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	271,182	752,453
CASH AND CASH EQUIVALENTS, Beginning of fiscal year	<u>4,203,076</u>	<u>3,450,623</u>
CASH AND CASH EQUIVALENTS, End of fiscal year	<u>\$ 4,474,258</u>	<u>\$ 4,203,076</u>

SUPPLEMENTAL DATA

The Ministries paid no income tax during 2024 or 2023.

The Ministries paid interest of \$-0- during 2024, and \$-0- during 2023.

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Derek Prince Ministries—International, Inc. (the “Ministry”) was incorporated on December 18, 1990 in Florida and incorporated as Derek Prince Ministries, Inc. in North Carolina in January, 2024, 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, 2024 and 2023, demand deposits and money market accounts consist of cash deposited in banks in the amount of \$4,451,592 and \$4,186,252, and in unsecured money market funds in national investment companies in the amount of \$22,666 and \$16,824 respectively. Cash and cash equivalents exceeded FDIC limits at September 30, 2024 by \$4,203,050. 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, 2024 AND 2023

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, 2024	September 30, 2023
Books	\$309,138	\$245,587
Other teaching materials	<u>8,033</u>	<u>7,492</u>
	<u>\$317,171</u>	<u>\$253,079</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 \$92,037 and \$89,799 for 2024 and 2023, respectively.

A summary of property is as follows:	September 30, 2024	September 30, 2023
Cost:		
Buildings and improvements	\$ 995,285	\$ 995,285
Furniture and equipment	<u>699,052</u>	<u>594,173</u>
	1,694,337	1,589,458
Accumulated Depreciation	<u>(999,452)</u>	<u>(907,415)</u>
Net Property	<u>\$ 694,885</u>	<u>\$ 682,043</u>

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

Net assets with donor restrictions of \$1,057,068 and \$556,723 for 2024 and 2023, respectively, relate to unspent contributions received by the Ministry, which have been designated by the donor for specific outreach programs. Additionally, \$331,973 at September 30, 2024 and \$159,957 at September 30, 2023 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, 2024 AND 2023

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 \$2,620 and \$559 for 2024 and 2023, 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, 2024 AND 2023

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, 2024 and 2023 is comprised of the following:

	September 30, <u>2024</u>	September 30, <u>2023</u>
Due from international affiliates	\$ 591	\$ 3,598
Due from commercial customers	<u>1,099</u>	<u>843</u>
	1,690	4,441
Less allowance for doubtful accounts	<u>-0-</u>	<u>-0-</u>
	<u>\$ 1,690</u>	<u>\$ 4,441</u>

NOTE 3 - INVESTMENTS AND INVESTMENT INCOME

Investments are comprised of a short-term income fund and certificates of deposit in the amount of \$1,057,068 and \$1,239,513 at September 30, 2024 and 2023, respectively, and certificates of deposit with a maturity beyond one year of \$-0- and \$401,086 at September 30, 2024 and 2023 respectively and are reported at fair value. A summary of investment income for 2024 and 2023 is as follows:

	Year Ended September 30, <u>2024</u>	Year Ended September 30, <u>2023</u>
Interest and dividends	\$ 39,918	\$ 34,781
Increase (decrease) in value of investments	<u>14,848</u>	<u>1,137</u>
	<u>\$ 54,766</u>	<u>\$ 35,919</u>

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2024 AND 2023

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, 2024, and 2023, 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 \$1,484,752 and \$620,827 for 2024 and 2023, 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 \$26,285 for the year ended September 30, 2024 and \$32,816 for the year ended September 30, 2023, which is reflected herein as a reduction of operating expenses. Two members of the Ministry Board of Directors are 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 \$591 and \$3,598 at September 30, 2024 and 2023, as reflected in Note 2.

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 6 - ALLOCATION OF JOINT COSTS

Joint costs were allocated to functional activities as follows:

Year Ended September 30, <u>2024</u>	<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	\$116,490	\$1,006,059	\$498,403	\$144,994	\$1,765,946
Occupancy	17,072	49,407	18,116	5,272	89,867
Airtime	-0-	8,885	-0-	724	9,609
Freight and Shipping	<u>33,108</u>	<u>-0-</u>	<u>14,311</u>	<u>-0-</u>	<u>47,419</u>
	<u>\$166,670</u>	<u>\$1,064,351</u>	<u>\$530,830</u>	<u>\$150,990</u>	<u>\$1,912,841</u>

Year Ended September 30, <u>2023</u>	<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>

NOTE 7 - RETIREMENT PLAN

The Ministry provides a Section 403(b) retirement plan for all eligible employees. During the year ended September 30, 2024, the Ministry paid \$14,951 as a two percent match of salary for eligible employees plus a contribution of \$5,496 for certain board-approved employees for a total of \$20,447. \$15,674 was paid for the year ended September 30, 2023. Such amounts are reflected in salaries and benefits.

NOTE 8 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

	September 30, <u>2024</u>	September 30, <u>2023</u>
Financial assets, at year end	\$5,534,301	\$5,453,912
Less those unavailable for general expenditures within one year, due to: Subject to appropriation and satisfaction of donor restrictions	<u>(1,057,068)</u>	<u>(556,723)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$4,477,233</u>	<u>\$4,897,189</u>

The Ministry has \$4,477,233 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 \$3,417,190, receivables of \$3,648, and short-term investments of \$1,056,395. Additionally, \$331,973 at September 30, 2024 and \$159,957 at September 30, 2023 was reallocated by the board for designated purposes.

DEREK PRINCE MINISTRIES—INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED SEPTEMBER 30, 2024 AND 2023

NOTE 9 - LEASES

The Ministry is committed to leases for office equipment with payments of \$453-\$6,308 for thirty-nine to forty-eight months. Lease expense was \$98,960 for 2024 and \$60,736 for 2023 and is reflected in operating supplies and operating expenses. A summary of commitments for the next five years is as follows:

September 30, 2025	\$ 99,845
2026	92,188
2027	3,174
2028	-0-
2029	-0-

NOTE 10 - SUBSEQUENT EVENTS ANALYSIS

Management has evaluated subsequent events through November 8, 2024, the date on which the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.