

LIFEWORD BROADCAST MINISTRIES, INC.

FINANCIAL STATEMENTS

YEARS ENDED MAY 31, 2023 AND 2022

LIFEWORD BROADCAST MINISTRIES, INC.

MAY 31, 2023 AND 2022

C O N T E N T S

	<u>Page No.</u>
Independent Auditors' Report.....	1 - 2
FINANCIAL STATEMENTS:	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements.....	7 - 14

Conner & Sartain

CERTIFIED PUBLIC ACCOUNTANTS
985 CARSON COVE, SUITE C
P.O. BOX 2260
CONWAY, ARKANSAS 72033
Telephone: (501) 327-6688
Fax: (501) 327-6699

INDEPENDENT AUDITORS' REPORT

Board of Directors
Lifeword Broadcast Ministries, Inc.
Conway, Arkansas

Opinion

We have audited the accompanying financial statements of Lifeword Broadcast Ministries, Inc. (a non-profit organization), which comprise the statement of financial position as of May 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 Lifeword Broadcast Ministries, Inc. as of May 31, 2023 and 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Lifeword Broadcast Ministries, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lifeword Broadcast Ministries 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 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 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 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 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 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 Lifeword Broadcast Ministries, 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lifeword Broadcast Ministries, 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.

Report on Summarized Comparative Information

We have previously audited Lifeword Broadcast Ministries, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 31, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Conway, Arkansas
October 23, 2023

FINANCIAL STATEMENTS

LIFEWORD BROADCAST MINISTRIES, INC.

STATEMENTS OF FINANCIAL POSITION

MAY 31, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
<u>Current Assets:</u>		
Cash and cash equivalents	\$ 873,589	\$ 1,152,324
Accounts receivable - Note 1	10,308	15,034
Prepaid expenses	13,697	14,172
Investments - Note 7	437,593	443,047
Total Current Assets	<u>1,335,187</u>	<u>1,624,577</u>
<u>Restricted Assets:</u>		
Investment in BMA Foundation	915,948	936,314
Investment in BMA of America LLC	2,851,167	1,604,961
Total Restricted Assets	<u>3,767,115</u>	<u>2,541,275</u>
<u>Property and Equipment - Note 3:</u>		
Buildings	919,600	916,673
Automobiles	55,929	55,929
Furniture and fixtures	173,271	173,271
Equipment	1,093,805	1,088,743
	<u>2,242,605</u>	<u>2,234,616</u>
Less: Accumulated depreciation	<u>(1,726,100)</u>	<u>(1,694,358)</u>
	516,505	540,258
Land	60,000	60,000
Construction in progress	-	145,280
Total Property and Equipment	<u>576,505</u>	<u>745,538</u>
Total Assets	<u>\$ 5,678,807</u>	<u>\$ 4,911,390</u>

The accompanying notes are an integral part of the financial statements.

MAY 31, 2023 AND 2022

	2023	2022
<u>Current Liabilities:</u>		
Accounts payable	\$ 39,621	\$ 21,169
Accrued expenses	15,869	16,997
Other payables	57,056	47,650
Total Current Liabilities	112,546	85,816
Total Liabilities	112,546	85,816
<u>Net Assets:</u>		
Without Donor Restrictions	4,775,330	4,041,669
With Donor Restrictions	790,931	783,905
Total Net Assets	5,566,261	4,825,574
Total Liabilities and Net Assets	\$ 5,678,807	\$ 4,911,390

LIFEWORD BROADCAST MINISTRIES, INC.**STATEMENTS OF ACTIVITIES****YEARS ENDED MAY 31, 2023 AND 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenues, Gains, and Other Support:</u>						
Contributions	\$ 1,139,226	\$ 10,070	\$ 1,149,296	\$ 919,124	\$ 10,075	\$ 929,199
Fundraising	522,527	-	522,527	512,505	-	512,505
Merchandise sales	21,329	-	21,329	19,491	-	19,491
Lease income - Note 8	55,200	-	55,200	55,200	-	55,200
Interest and dividend income	1,151	-	1,151	386	-	386
Investment income - Note 7	3,543	-	3,543	22,071	-	22,071
Unrealized gain/(loss) on investments	(4,605)	-	(4,605)	(56,857)	-	(56,857)
Other income	251,471	-	251,471	1,775	-	1,775
Studio expansion project	-	570,544	570,544	-	614,925	614,925
Net gain (loss) in partnership interests	(95,048)	-	(95,048)	(117,213)	-	(117,213)
Net Assets Released from Restrictions:						
Satisfaction by payments	573,588	(573,588)	-	623,808	(623,808)	-
Total Revenues, Gains, and Other Support	2,468,382	7,026	2,475,408	1,980,290	1,192	1,981,482
<u>Expenses:</u>						
General	31,743	-	31,743	31,787	-	31,787
Broadcast	554,120	-	554,120	504,279	-	504,279
Departmental	1,148,858	-	1,148,858	1,134,943	-	1,134,943
Total Expenses	1,734,721	-	1,734,721	1,671,009	-	1,671,009
Change in Net Assets	733,661	7,026	740,687	309,281	1,192	310,473
Net Assets - Beginning of Year	4,041,669	783,905	4,825,574	3,732,388	782,713	4,515,101
Net Assets - End of Year	\$ 4,775,330	\$ 790,931	\$ 5,566,261	\$ 4,041,669	\$ 783,905	\$ 4,825,574

The accompanying notes are an integral part of the financial statements.

LIFEWORD BROADCAST MINISTRIES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED MAY 31, 2023 AND 2022

	2023	2022
<u>General:</u>		
Depreciation	\$ 31,743	\$ 31,787
Total General	<u>31,743</u>	<u>31,787</u>
<u>Broadcasting:</u>		
General broadcast expense	15,498	15,142
Broadcasting by country	304,150	290,026
Cost of goods sold	15,803	8,126
Digital broadcasting	218,669	190,985
Total Broadcasting	<u>554,120</u>	<u>504,279</u>
<u>Departmental:</u>		
Auto expense	12,041	10,752
BMA Service Team Allocation	384,985	415,184
Donations/benevolence	2,640	3,184
Freight	3,801	4,391
Fringe benefits - insurance	90,084	105,518
Fringe benefits - retirement	29,273	26,145
Fringe benefits - other	475	525
Payroll tax	28,260	21,134
Insurance	6,432	4,882
Maintenance service agreements	3,747	2,276
Office expense	32,139	24,900
Other operating expense	5,216	5,524
Professional fees	7,400	7,000
Promotional expense and advertising	5,579	12,700
Repairs and maintenance	2,367	681
Salaries	459,750	437,594
Bonus compensation	23,056	-
Travel and entertainment	35,612	37,606
Utilities and telephone	12,606	10,267
Miscellaneous	3,395	4,680
Total Departmental	<u>1,148,858</u>	<u>1,134,943</u>
Total	<u>\$ 1,734,721</u>	<u>\$ 1,671,009</u>

The accompanying notes are an integral part of the financial statements.

LIFEWORD BROADCAST MINISTRIES, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED MAY 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Cash Flows from Operating Activities:</u>		
Increase in net assets Increase (Decrease)	\$ 740,687	\$ 310,473
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	31,743	31,787
(Increase) decrease in accounts receivable	4,725	15,504
(Increase) decrease in prepaid expenses	475	(13,541)
Increase (decrease) in accounts payable	18,452	20,275
Increase (decrease) in accrued and other expenses	8,278	(25,750)
Net Cash Provided (Used) by Operating Activities	<u>804,360</u>	<u>338,748</u>
<u>Cash Flows from Investing Activities:</u>		
Purchase of property and equipment	(7,989)	(149,825)
Transfer of property and equipment to BMA of America, LLC	145,280	-
Net (Increase) in investments	5,454	39,537
Net (Increase) decrease in equity in BMA Foundation	20,366	78,751
Net (Increase) decrease in equity in BMA of America, LLC	(1,246,206)	28,387
Net Cash Provided (Used) by Investing Activities	<u>(1,083,095)</u>	<u>(3,150)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(278,735)	335,598
Beginning Cash and Cash Equivalents	<u>1,152,324</u>	<u>816,726</u>
Ending Cash and Cash Equivalents	<u><u>\$ 873,589</u></u>	<u><u>\$ 1,152,324</u></u>
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash Paid During the Year For:		
Interest expense	<u>\$ -</u>	<u>\$ -</u>
Income tax expense	<u>N/A</u>	<u>N/A</u>

The accompanying notes are an integral part of the financial statements.

LIFEWORD BROADCAST MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2023 AND 2022

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

Lifeword Broadcast Ministries, Inc. is a non-profit corporation organized to provide Christ-centered media content to domestic and international communities through radio, television, and internet broadcasts. Lifeword Broadcast Ministries, Inc. is overseen by the Baptist Missionary Association of America (BMAA). The majority of support is from contributions from the churches of the BMAA.

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Accordingly, they reflect all significant receivables, payables, and other liabilities. The statement presentation follows the recommendations of the Financial Accounting Standards Board in that Lifeword Broadcast Ministries, Inc. ("The Organization") is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with a maturity of three months or less to be cash and cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Compensated Absences

Employees of the Organization are entitled to paid vacations, sick days, and other time off depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when paid to employees.

LIFEWORD BROADCAST MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2023 AND 2022

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Income Taxes

Lifeword Broadcast Ministries, Inc. has been recognized as exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state laws. As such, they are required to file IRS Form 990 on an annual basis. The Organization is no longer subject to U.S. federal income tax examinations by taxing authorities for years before December 31, 2018.

Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. As of May 31, 2023, the Organization did not have any activities not directly related to their tax-exempt purpose. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) Topic 740 dealing with uncertainty in income taxes. No amounts were recorded as a result of the adoption of Topic 740.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash investments and receivables. The Organization places their cash investments with financial institutions which limits the amount of credit exposure to any one investment. Concentrations of credit risk with respect to receivables are limited due to the large number of customers comprising the Organization's customer base. At May 31, 2023 and 2022, the Organization had no significant concentrations of credit risk.

Public Support and Revenue

Contributions received are recorded as those with donor restrictions and those without donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase restricted net asset, depending on the nature of the restriction. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to net assets without restriction and reported in the Statement of Revenues, Support, Expenses and Changes in Net Assets as net assets released from restrictions.

LIFEWORD BROADCAST MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2023 AND 2022

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Public Support and Revenue (Continued)

The Financial Accounting Standards Board (FASB) issues guidance in the Accounting Standards Codification (ASC). Since the Organization's revenues are derived from sources other than exchange transactions, FASB ASC Topic 605, Revenue Recognition, is the guidance relevant to the Organization's financial reporting.

Contributed Services

During the years ended May 31, 2023 and 2022, the value of contributed personal services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

NOTE 2 - DEFINED CONTRIBUTION PLAN:

The Organization has a 403(b)(9) retirement plan covering all full-time employees. The Organization makes a contribution to the plan each year equal to 6% of all full-time employees' and 10% for the executive director's compensation. Total retirement expense for the years ended May 31, 2023 and 2022 was \$29,273 and \$26,145, respectively.

NOTE 3 - PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

	<u>2023</u>	<u>2022</u>
Buildings	\$ 919,600	\$ 916,673
Automobiles	55,929	55,929
Furniture and fixtures	173,271	173,271
Equipment	<u>1,093,805</u>	<u>1,088,743</u>
	2,242,605	2,234,616
Accumulated depreciation	<u>(1,726,100)</u>	<u>(1,694,358)</u>
	516,505	540,258
Land	60,000	60,000
Construction in progress	<u>-</u>	<u>145,280</u>
	<u>\$ 576,505</u>	<u>\$ 745,538</u>

Property and equipment are recorded at cost and are depreciated over their respective remaining useful lives using the straight-line method of recording depreciation. Additions are capitalized if cost exceeds \$500. Depreciation expense for the years ended May 31, 2023 and 2022 amounted to \$31,743 and \$31,787.

LIFEWORD BROADCAST MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2023 AND 2022

NOTE 4 - RESTRICTIONS ON NET ASSETS:

Net assets with donor restrictions consist of endowment fund assets to be held indefinitely as well as contributions with donor stipulations that limit the use of the donated assets. The income from the endowment fund assets can be used to support the Organization's general activities.

NOTE 5 - COLLATERALIZATION OF CASH BALANCES:

	<u>2023</u>	<u>2022</u>
Cash in Bank, Fully Insured by FDIC	\$ 250,000	\$ 250,000
Cash in Bank, Collateralized	-	-
Cash in Bank, Uninsured, Uncollateralized	<u>585,869</u>	<u>889,199</u>
	<u>\$ 835,869</u>	<u>\$ 1,139,199</u>

NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS:

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** 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** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying balance sheet, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

LIFEWORD BROADCAST MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2023 AND 2022

NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED):

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include common stock, mutual funds and United States Treasury obligations. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. The Foundation did not hold Level 2 or Level 3 securities as of May 31, 2023.

The following table presents the fair value measurement of assets and liabilities recognized in the accompanying Statements of Financial Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurement is valued at May 31, 2023 and 2022:

		Fair Value Measurement Using		
		Quoted Prices Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		2023		
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Money market accounts, CDs, mutual funds	\$ 437,593	\$ 437,593	\$ -	\$ -
		2022		
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Money market accounts, CDs, mutual funds	\$ 443,047	\$ 443,047	\$ -	\$ -

Investment Return

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended May 31, 2023.

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 3,543	\$ -	\$ 3,543
Realized gains (losses)	-	-	-
Total Investment Return	\$ 3,543	\$ -	\$ 3,543

LIFEWORD BROADCAST MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2023 AND 2022

NOTE 6 - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED):

Other financial instruments:

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, short-term investments, and pledges to give due in less than one year: The carrying amounts reported in the Statements of Financial Position approximate fair values because of the short maturities of those instruments.

Long-term investments: The fair values of long-term investments are based on quoted market prices for those or similar investments.

NOTE 7 - INVESTMENTS:

The Organization's investments consist of money market funds, certificates of deposits, stock and mutual funds. The balance of the investment account as of May 31, 2023 and 2022 was:

	<u>Investment Amount</u>	
	<u>May 31,</u> <u>2023</u>	<u>May 31,</u> <u>2022</u>
LPL Financial		
Money Market	\$ 16,370	\$ 19,185
Mutual Funds	<u>421,223</u>	<u>423,862</u>
Total Investments	<u>\$ 437,593</u>	<u>\$ 443,047</u>

The following summarizes the Organization's investment activity for the year ended May 31, 2023 and 2022, respectively, and its classification in the accompanying combined Statements of Activities:

	<u>2023</u>	<u>2022</u>
Beginning Balance - at Market Value	\$ 443,047	\$ 482,584
Investment income	3,543	22,071
Fees	(4,392)	(4,751)
Unrealized gain (loss) on investments	<u>(4,605)</u>	<u>(56,857)</u>
Ending Balance - at Market Value	<u>\$ 437,593</u>	<u>\$ 443,047</u>

LIFEWORD BROADCAST MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2023 AND 2022

NOTE 8 - LEASE INCOME:

The Organization leases the building located at 609 Locust Avenue, Conway, Arkansas. The original lease agreement ended February 28, 2022. The Organization is now on a month to month agreement for \$4,600 per month. Lease income was \$55,200 and \$55,200 for the year ended May 31, 2023 and 2022.

NOTE 9 - RELATED PARTY TRANSACTIONS:

The Organization is a partner/member of BMA of America, LLC. BMA of America, LLC is a limited liability company organized to provide administrative services, including the rental of office space, to participating departments and agencies of the Baptist Missionary Association of America. Investment in BMA of America, LLC, amounted to \$2,851,167 and \$1,604,961 for the years ended May 31, 2023 and 2022, respectively.

The Organization paid \$384,985 and \$415,184 to BMA of America, LLC for the year ended May 31, 2023 and 2022, respectively, for administrative services, including the rental of office space.

The Organization is a partner/member in BMA Foundation, a non-profit corporation organized to endow participating departments and agencies of the Baptist Missionary Association of America with supplemental funding by investing gifts to the Foundation and distributing the earnings annually. It is a repository for the endowment of funds invested to produce ongoing support for those ministries. Investment in BMA Foundation, amounted to \$915,948 and \$936,314 for the years ended May 31, 2023 and 2022, respectively.

For the Organization's share of administrative cost of the Foundation, the Organization did not receive or pay from BMA Foundation for the year ended May 31, 2023 and May 31, 2022.

The Organization's policy for transferring funds from BMA Foundation to the Ministry is that the principal contributed must be permanently held; distributions can be made only if funds were available from earnings. There were no funds distributed by the BMAA Foundation to the Ministry for the years ended May 31, 2023 and 2022.

LIFEWORD BROADCAST MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2023 AND 2022

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statement of financial position date to fund expenses without limitations:

	<u>2023</u>	<u>2022</u>
Financial assets available within one year and free of donor restrictions:		
Cash and cash equivalents	\$ 873,539	\$ 1,152,324
Investments	437,593	443,047
Accounts receivable	<u>10,308</u>	<u>15,034</u>
Available without restriction within one year	<u>\$ 1,321,490</u>	<u>\$ 1,610,405</u>

The Organization has the following assets that are not readily available within one year of the statement of financial position date to fund expenses without limitations:

	<u>2023</u>	<u>2022</u>
Financial assets with liquidity restrictions greater than one year:		
Investments in related parties	\$ <u>3,767,115</u>	\$ <u>2,541,275</u>
Total financial assets unavailable within one year	<u>\$ 3,767,115</u>	<u>\$ 2,541,275</u>

NOTE 11 - SUBSEQUENT EVENTS:

No events occurring subsequent to year end, having a direct and material effect on the financial statements for the year ended May 31, 2023 and 2022, have been determined as of the date of the audit report.