

IN TOUCH MINISTRIES, INC. AND AFFILIATES
COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

IN TOUCH MINISTRIES, INC. AND AFFILIATES

TABLE OF CONTENTS

	<u>PAGE</u>
Independent auditors' report	1 - 2
Combined financial statements:	
Combined statements of financial position	3
Combined statements of activities	4
Combined statements of cash flows	5
Notes to the combined financial statements	6 - 18
Supplemental information:	
Independent auditors' report on supplemental information	20
Combining statements of financial position	21
Combining statements of activities	22

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
In Touch Ministries, Inc. and Affiliates

Opinion

We have audited the accompanying combined financial statements of In Touch Ministries, Inc. and Affiliates (a nonprofit organization), which comprise the combined statements of financial position as of September 30, 2023 and 2022, and the related combined statements of activities and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements referred to above present fairly, in all material respects, the financial position of In Touch Ministries, Inc. and Affiliates as of September 30, 2023 and 2022, and the changes in their net assets and their 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 In Touch Ministries, Inc. and Affiliates 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 these 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 combined 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 In Touch Ministries, Inc. and Affiliates' ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditors' 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 auditing 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 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 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 In Touch Ministries, Inc. and Affiliates' 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 In Touch Ministries, Inc. and Affiliates' 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.

Aprio, LLP

Rockville, Maryland

January 3, 2024

IN TOUCH MINISTRIES, INC. AND AFFILIATES
 COMBINED STATEMENTS OF FINANCIAL POSITION
 SEPTEMBER 30,

ASSETS

	<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 27,927,560	\$ 28,858,024
Investments	198,697,267	162,494,624
Bequests and other receivables	1,705,426	3,086,951
Inventories	786,217	871,220
Prepaid expenses and other assets	<u>3,827,651</u>	<u>5,212,895</u>
Total current assets	<u>232,944,121</u>	<u>200,523,714</u>
<u>PROPERTY AND EQUIPMENT, net</u>	<u>45,085,651</u>	<u>48,171,288</u>
<u>OTHER ASSETS</u>		
Charitable gift annuity assets	4,810,661	4,778,580
Investment in real estate, net	676,404	701,404
Other non-current assets	<u>47,862</u>	<u>47,862</u>
Total other assets	<u>5,534,927</u>	<u>5,527,846</u>
 TOTAL ASSETS	 <u>\$283,564,699</u>	 <u>\$254,222,848</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 4,102,630	\$ 4,431,021
Accrued expenses	401,001	524,775
Annuities payable, current portion	<u>471,694</u>	<u>443,498</u>
Total current liabilities	<u>4,975,325</u>	<u>5,399,294</u>
<u>LONG-TERM LIABILITIES</u>		
Annuities payable, net of current portion	<u>3,896,283</u>	<u>4,075,317</u>
Total long-term liabilities	<u>3,896,283</u>	<u>4,075,317</u>
 TOTAL LIABILITIES	 <u>8,871,608</u>	 <u>9,474,611</u>
 <u>COMMITMENTS AND CONTINGENCIES</u>		
<u>NET ASSETS</u>		
<u>Without Donor restrictions:</u>		
Undesignated	\$229,164,884	\$196,317,312
Equity in property and equipment	<u>45,085,651</u>	<u>48,171,288</u>
	274,250,535	244,488,600
<u>With Donor Restrictions:</u>	<u>442,556</u>	<u>259,637</u>
Total net assets	<u>274,693,091</u>	<u>244,748,237</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$283,564,699</u>	 <u>\$254,222,848</u>

See accompanying notes to the combined financial statements

IN TOUCH MINISTRIES, INC. AND AFFILIATES
COMBINED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30,

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Contributions	\$ 102,351,567	\$ 268,173	\$ 102,619,740	\$ 112,588,485	\$ 40,407	\$ 112,628,892
Bequests	8,323,533	-	8,323,533	8,950,564	-	8,950,564
Merchandise sales	520,723	-	520,723	555,916	-	555,916
Interest and dividends	5,110,716	143,695	5,254,411	6,772,113	-	6,772,113
Realized losses on investments and charitable gift annuity assets, net	(1,111,140)	(153,624)	(1,264,764)	(2,002,040)	-	(2,002,040)
Change in value of annuities	-	(285,880)	(285,880)	-	(255,055)	(255,055)
Gain on disposal of assets	172,812	-	172,812	461,043	-	461,043
Other	730,079	-	730,079	1,198,304	-	1,198,304
Total revenue and support	<u>116,098,290</u>	<u>(27,636)</u>	<u>116,070,654</u>	<u>128,524,385</u>	<u>(214,648)</u>	<u>128,309,737</u>
RECLASSIFICATIONS						
Net assets released by satisfaction of purpose restrictions	<u>269,290</u>	<u>(269,290)</u>	<u>-</u>	<u>1,054,516</u>	<u>(1,054,516)</u>	<u>-</u>
EXPENSES						
Program services						
Teaching ministries through broadcast, print and digital media	<u>85,747,174</u>	<u>-</u>	<u>85,747,174</u>	<u>83,157,687</u>	<u>-</u>	<u>83,157,687</u>
Supporting services						
General and administrative	5,041,940	-	5,041,940	4,883,688	-	4,883,688
Fundraising	1,718,839	-	1,718,839	1,727,037	-	1,727,037
Total supporting services	<u>6,760,779</u>	<u>-</u>	<u>6,760,779</u>	<u>6,610,725</u>	<u>-</u>	<u>6,610,725</u>
Total expenses	<u>92,507,953</u>	<u>-</u>	<u>92,507,953</u>	<u>89,768,412</u>	<u>-</u>	<u>89,768,412</u>
Unrealized gains (losses) on investments and charitable gift annuity assets, net	<u>5,902,308</u>	<u>479,845</u>	<u>6,382,153</u>	<u>(18,623,938)</u>	<u>-</u>	<u>(18,623,938)</u>
Change in net assets	29,761,935	182,919	29,944,854	21,186,551	(1,269,164)	19,917,387
Net assets, beginning of year	<u>244,488,600</u>	<u>259,637</u>	<u>244,748,237</u>	<u>223,302,049</u>	<u>1,528,801</u>	<u>224,830,850</u>
Net assets, end of year	<u>\$ 274,250,535</u>	<u>\$ 442,556</u>	<u>\$ 274,693,091</u>	<u>\$ 244,488,600</u>	<u>\$ 259,637</u>	<u>\$ 244,748,237</u>

See accompanying notes to the combined financial statements

IN TOUCH MINISTRIES, INC. AND AFFILIATES
 COMBINED STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED SEPTEMBER 30,

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 29,944,854	\$ 19,917,387
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	3,871,240	4,260,443
Net realized losses on investments and charitable gift annuity assets	1,264,764	2,002,040
Net unrealized (gains) losses on investments and charitable gift annuity assets	(6,382,153)	18,623,938
Contributed securities	(300,793)	(2,434,120)
Actuarial change in annuities payable	285,880	321,270
Gain on disposal of assets	(172,812)	(461,043)
Changes in other assets and liabilities:		
Inventories	85,003	353,343
Bequests and other receivables	1,381,525	(2,125,510)
Prepaid expenses and other assets	1,385,244	(1,811,584)
Accounts payable	(328,391)	820,733
Payments for annuities payables	(436,718)	(593,529)
Accrued expenses	<u>(123,774)</u>	<u>164,200</u>
Net cash provided by operating activities	<u>30,473,869</u>	<u>39,037,568</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Acquisition of property and equipment	(785,603)	(1,163,250)
Proceeds from disposal of property and equipment	197,812	1,146,186
Purchases of investments and charitable gift annuity assets	(99,147,783)	(60,518,669)
Proceeds from sales of investments and charitable gift annuity assets	<u>68,331,241</u>	<u>18,060,511</u>
Net cash used for investing activities	<u>(31,404,333)</u>	<u>(42,475,222)</u>
Net decrease in cash and cash equivalents	(930,464)	(3,437,654)
Cash and cash equivalents, beginning of year	<u>28,858,024</u>	<u>32,295,678</u>
Cash and cash equivalents, end of year	<u>\$ 27,927,560</u>	<u>\$ 28,858,024</u>

See accompanying notes to the combined financial statements

SUPPLEMENTAL INFORMATION

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION

To the Board of Directors
In Touch Ministries, Inc. and Affiliates

We have audited the combined financial statements of In Touch Ministries, Inc. and Affiliates (collectively, the "Ministry") as of and for the years ended September 30, 2023 and 2022, and our report dated January 3, 2024, which expressed an unqualified opinion on those combined financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining statements of financial position as of September 30, 2023 and 2022, and the combining statements of activities for the years ended September 30, 2023 and 2022, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the combined financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Aprio, LLP

Rockville, Maryland

January 3, 2024

IN TOUCH MINISTRIES, INC. AND AFFILIATES
COMBINING STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2023 AND 2022

	2023			2022		
	ITM	ITF	Combined	ITM	ITF	Combined
CURRENT ASSETS						
Cash and cash equivalents	\$ 22,993,121	\$ 4,934,439	\$ 27,927,560	\$ 26,283,061	\$ 2,574,963	\$ 28,858,024
Investments	112,803,873	85,893,394	198,697,267	86,504,714	75,989,910	162,494,624
Bequests and other receivables	808,054	897,372	1,705,426	632,815	2,454,136	3,086,951
Inventories	786,217	-	786,217	871,220	-	871,220
Prepaid expenses and other assets	3,782,925	44,726	3,827,651	5,197,987	14,908	5,212,895
Total current assets	<u>141,174,190</u>	<u>91,769,931</u>	<u>232,944,121</u>	<u>119,489,797</u>	<u>81,033,917</u>	<u>200,523,714</u>
PROPERTY AND EQUIPMENT, net	<u>44,516,887</u>	<u>568,764</u>	<u>45,085,651</u>	<u>47,579,151</u>	<u>592,137</u>	<u>48,171,288</u>
OTHER ASSETS						
Charitable gift annuity assets	232,090	4,578,571	4,810,661	229,621	4,548,959	4,778,580
Investment in real estate, net	676,404	-	676,404	701,404	-	701,404
Other non-current assets	-	47,862	47,862	-	47,862	47,862
Total other assets	<u>908,494</u>	<u>4,626,433</u>	<u>5,534,927</u>	<u>931,025</u>	<u>4,596,821</u>	<u>5,527,846</u>
TOTAL ASSETS	<u>\$ 186,599,571</u>	<u>\$ 96,965,128</u>	<u>\$ 283,564,699</u>	<u>\$ 167,999,973</u>	<u>\$ 86,222,875</u>	<u>\$ 254,222,848</u>
CURRENT LIABILITIES						
Accounts payable	\$ 4,052,761	\$ 49,869	\$ 4,102,630	\$ 4,321,511	\$ 109,510	\$ 4,431,021
Accrued liabilities	395,984	5,017	401,001	510,432	14,343	524,775
Annuities payable, current portion	19,219	452,475	471,694	21,217	422,281	443,498
Total current liabilities	<u>4,467,964</u>	<u>507,361</u>	<u>4,975,325</u>	<u>4,853,160</u>	<u>546,134</u>	<u>5,399,294</u>
LONG-TERM LIABILITIES						
Annuities payable, net of current portion	162,521	3,733,762	3,896,283	175,505	3,899,812	4,075,317
Total long-term liabilities	<u>162,521</u>	<u>3,733,762</u>	<u>3,896,283</u>	<u>175,505</u>	<u>3,899,812</u>	<u>4,075,317</u>
TOTAL LIABILITIES	<u>4,630,485</u>	<u>4,241,123</u>	<u>8,871,608</u>	<u>5,028,665</u>	<u>4,445,946</u>	<u>9,474,611</u>
NET ASSETS						
<u>Without Donor Restrictions:</u>						
Undesignated	137,401,849	91,763,035	229,164,884	115,359,259	80,958,053	196,317,312
Equity in property and equipment	44,516,887	568,764	45,085,651	47,579,151	592,137	48,171,288
	<u>181,918,736</u>	<u>92,331,799</u>	<u>274,250,535</u>	<u>162,938,410</u>	<u>81,550,190</u>	<u>244,488,600</u>
<u>With Donor Restrictions</u>						
	50,350	392,206	442,556	32,898	226,739	259,637
Total net assets	<u>181,969,086</u>	<u>92,724,005</u>	<u>274,693,091</u>	<u>162,971,308</u>	<u>81,776,929</u>	<u>244,748,237</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 186,599,571</u>	<u>\$ 96,965,128</u>	<u>\$ 283,564,699</u>	<u>\$ 167,999,973</u>	<u>\$ 86,222,875</u>	<u>\$ 254,222,848</u>

See independent auditors' report on supplemental information

IN TOUCH MINISTRIES, INC. AND AFFILIATES
COMBINING STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023			2022		
	ITM	ITF	Combined	ITM	ITF	Combined
REVENUE AND SUPPORT						
Support:						
Contributions	\$102,060,241	\$ 559,499	\$ 102,619,740	\$110,707,423	\$ 1,921,469	\$ 112,628,892
Bequests	-	8,323,533	8,323,533	-	8,950,564	8,950,564
Total support	<u>102,060,241</u>	<u>8,883,032</u>	<u>110,943,273</u>	<u>110,707,423</u>	<u>10,872,033</u>	<u>121,579,456</u>
Revenue:						
Merchandise sales	520,723	-	520,723	555,916	-	555,916
Interest and dividends	3,120,475	2,133,936	5,254,411	2,617,211	4,154,902	6,772,113
Realized losses on investments and charitable gift annuity assets, net	(569,335)	(695,429)	(1,264,764)	(590,058)	(1,411,982)	(2,002,040)
Change in value of annuities	(5,443)	(280,437)	(285,880)	(14,789)	(240,266)	(255,055)
Gain on disposal of assets	172,812	-	172,812	461,043	-	461,043
Other	728,569	1,510	730,079	(79,066)	1,277,370	1,198,304
Total revenue and support	<u>106,028,042</u>	<u>10,042,612</u>	<u>116,070,654</u>	<u>113,657,680</u>	<u>14,652,057</u>	<u>128,309,737</u>
EXPENSES						
Program services:						
Teaching ministries through broadcast, print and digital media	<u>83,194,861</u>	<u>2,552,313</u>	<u>85,747,174</u>	<u>80,510,022</u>	<u>2,647,665</u>	<u>83,157,687</u>
Supporting services:						
General and administrative	4,989,332	52,608	5,041,940	4,828,307	55,381	4,883,688
Fundraising	<u>1,259,528</u>	<u>459,311</u>	<u>1,718,839</u>	<u>1,208,594</u>	<u>518,443</u>	<u>1,727,037</u>
Total supporting services	<u>6,248,860</u>	<u>511,919</u>	<u>6,760,779</u>	<u>6,036,901</u>	<u>573,824</u>	<u>6,610,725</u>
Total expenses	<u>89,443,721</u>	<u>3,064,232</u>	<u>92,507,953</u>	<u>86,546,923</u>	<u>3,221,489</u>	<u>89,768,412</u>
Unrealized gains (losses) on investments and charitable gift annuity assets, net	<u>2,413,457</u>	<u>3,968,696</u>	<u>6,382,153</u>	<u>(7,924,428)</u>	<u>(10,699,510)</u>	<u>(18,623,938)</u>
Change in net assets	18,997,778	10,947,076	29,944,854	19,186,329	731,058	19,917,387
Net assets, beginning of year	<u>162,971,308</u>	<u>81,776,929</u>	<u>244,748,237</u>	<u>143,784,979</u>	<u>81,045,871</u>	<u>224,830,850</u>
Net assets, end of year	<u>\$181,969,086</u>	<u>\$ 92,724,005</u>	<u>\$ 274,693,091</u>	<u>\$162,971,308</u>	<u>\$ 81,776,929</u>	<u>\$ 244,748,237</u>

See independent auditors' report on supplemental information

This is an excerpt from the audited financials for In Touch Ministries, Inc.

**If you would like to see a full copy, please contact Celia Gordon at
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