

# **Truth For Life**

**Financial Statements  
December 31, 2022 and 2021**

## **Independent Auditor's Report**

Board of Directors  
Truth For Life

### **Opinion**

We have audited the accompanying financial statements of Truth For Life (the "Organization", a nonprofit corporation), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 the Organization as of December 31, 2022 and 2021, 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 the Organization 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 the Organization'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 the Organization'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 the Organization'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.

*Ciuni + Panichi, Inc.*

Cleveland, Ohio  
March 30, 2023

# Truth For Life

## Statements of Financial Position

December 31, 2022 and 2021

	<u>Assets</u>	
	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 3,803,497	\$ 2,855,767
Accounts receivable	40,835	19,963
Inventory, net	2,142,646	335,340
Investments	14,841,245	14,334,740
Prepaid expenses and deposits	316,129	400,383
Total current assets	<u>21,144,352</u>	<u>17,946,193</u>
Fixed assets:		
Land	408,766	408,766
Land improvements	187,615	187,615
Building and improvements	10,097,149	10,097,149
Furniture and equipment	2,593,165	2,525,027
Capital equipment in progress	53,684	12,191
Total fixed assets, at cost	<u>13,340,379</u>	<u>13,230,748</u>
Less accumulated depreciation	<u>(3,165,472)</u>	<u>(2,611,120)</u>
Total fixed assets, net	<u>10,174,907</u>	<u>10,619,628</u>
Total assets	\$ <u><u>31,319,259</u></u>	\$ <u><u>28,565,821</u></u>
	<u>Liabilities and Net Assets</u>	
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,204,074	\$ 1,283,342
Other current liabilities	18,134	22,547
Total current liabilities	<u>1,222,208</u>	<u>1,305,889</u>
Other long-term liabilities	16,449	34,145
Total liabilities	<u>1,238,657</u>	<u>1,340,034</u>
Net assets:		
Without donor restrictions:		
Opportunity Fund – undesignated	9,762,730	11,701,277
Board-designated:		
Building Fund	8,832,713	9,145,875
Operating Fund – working capital reserve	10,000,000	5,000,000
Facilities Fund – replacement reserve	1,440,159	1,378,635
Total without donor restrictions	<u>30,035,602</u>	<u>27,225,787</u>
With donor restrictions	45,000	-
Total net assets	<u>30,080,602</u>	<u>27,225,787</u>
	\$ <u><u>31,319,259</u></u>	\$ <u><u>28,565,821</u></u>

The accompanying notes are an integral part of these financial statements

# Truth For Life

## Statement of Activities

For the year ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating support, revenues, and gains:			
Contributions	\$ 20,276,245	\$ 70,000	\$ 20,346,245
Sales	1,792,695	-	1,792,695
Less: cost of sales	(2,114,332)	-	(2,114,332)
Investment return, net	(811,093)	-	(811,093)
Total support and revenues	<u>19,143,515</u>	<u>70,000</u>	<u>19,213,515</u>
Net assets released from restrictions	<u>25,000</u>	<u>(25,000)</u>	<u>-</u>
	19,168,515	45,000	19,213,515
Operating expenses:			
Program activities	13,651,764	-	13,651,764
Supporting services:			
General and administrative	1,751,608	-	1,751,608
Fundraising	952,034	-	952,034
Total operating expenses	<u>16,355,406</u>	<u>-</u>	<u>16,355,406</u>
Loss on asset disposals	<u>3,294</u>	<u>-</u>	<u>3,294</u>
Total expenses and losses	<u>16,358,700</u>	<u>-</u>	<u>16,358,700</u>
Total changes in net assets	2,809,815	45,000	2,854,815
Net assets, beginning of year	<u>27,225,787</u>	<u>-</u>	<u>27,225,787</u>
Net assets, end of year	<u>\$ 30,035,602</u>	<u>\$ 45,000</u>	<u>\$ 30,080,602</u>

The accompanying notes are an integral part of these financial statements

# Truth For Life

## Statement of Activities

For the year ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating support and revenues:			
Contributions	\$ 20,682,426	\$ -	\$ 20,682,426
Sales	1,433,670	-	1,433,670
Less: cost of sales	(1,458,859)	-	(1,458,859)
Investment return, net	15,487	-	15,487
Total support and revenues	<u>20,672,724</u>	<u>-</u>	<u>20,672,724</u>
Gain on asset disposals	649	-	649
Total support, revenues, and gains	<u>20,673,373</u>	<u>-</u>	<u>20,673,373</u>
Net assets released from restrictions	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
	20,723,373	(50,000)	20,673,373
Operating expenses:			
Program activities	12,953,267	-	12,953,267
Supporting services:			
General and administrative	1,571,391	-	1,571,391
Fundraising	836,895	-	836,895
Total operating expenses	<u>15,361,553</u>	<u>-</u>	<u>15,361,553</u>
Total changes in net assets	5,361,820	(50,000)	5,311,820
Net assets, beginning of year	<u>21,863,967</u>	<u>50,000</u>	<u>21,913,967</u>
Net assets, end of year	<u>\$ 27,225,787</u>	<u>\$ -</u>	<u>\$ 27,225,787</u>

The accompanying notes are an integral part of these financial statements

# Truth For Life

## Statement of Functional Expenses

For the year ended December 31, 2022

	Program	Support Services		Total
		General and Administrative	Fundraising	
Radio distribution/syndication	\$ 5,821,198	\$ 260	\$ 131,260	\$ 5,952,718
Content production	400,185	-	-	400,185
Direct mail communications	622,526	41,945	141,298	805,769
Donor communication and development	70,264	3,707	942	74,913
Digital communication costs	1,402,569	56,262	92,133	1,550,964
Customer care/shipping	1,492,586	421,640	352,717	2,266,943
Human resources	2,468,926	677,062	164,595	3,310,583
Professional services	-	131,568	-	131,568
Facility costs	178,682	47,648	11,912	238,242
Information technology/equipment	385,543	102,812	25,703	514,058
Other operating expenses	478,716	268,704	31,474	778,894
Ministry expansion	330,569	-	-	330,569
	<u>\$ 13,651,764</u>	<u>\$ 1,751,608</u>	<u>\$ 952,034</u>	<u>\$ 16,355,406</u>

The accompanying notes are an integral part of these financial statements

# Truth For Life

## Statement of Functional Expenses

For the year ended December 31, 2021

		Support Services		
	Program	General and Administrative	Fundraising	Total
Radio distribution/syndication	\$ 5,664,648	\$ 260	\$ 136,666	\$ 5,801,574
Content production	390,457	-	-	390,457
Direct mail communications	696,454	36,126	122,038	854,618
Donor communication and development	40,450	2,625	429	43,504
Digital communication costs	1,512,776	68,274	92,555	1,673,605
Customer care/shipping	1,192,986	381,298	255,280	1,829,564
Human resources	2,385,611	654,382	159,041	3,199,034
Professional services	-	46,903	-	46,903
Facility costs	163,481	43,595	10,899	217,975
Information technology/equipment	430,479	114,794	28,699	573,972
Other operating expenses	475,925	223,134	31,288	730,347
	<u>\$ 12,953,267</u>	<u>\$ 1,571,391</u>	<u>\$ 836,895</u>	<u>\$ 15,361,553</u>

The accompanying notes are an integral part of these financial statements



# Truth For Life

## Statements of Cash Flows

For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Changes in net assets	\$ 2,854,815	\$ 5,311,820
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	628,045	623,726
Loss (gain) on disposal of fixed assets	3,294	(649)
Realized/unrealized loss on investments	1,142,213	7,141
Inventory reserve	59,853	(8,236)
Changes in operating assets and liabilities:		
Accounts receivable	(20,872)	(19,916)
Inventory	(1,867,159)	3,857
Prepaid expenses and deposits	84,254	(59,464)
Accounts payable and accrued liabilities	(79,268)	532,191
Other liabilities	(22,109)	(47,410)
Net cash provided by operating activities	<u>2,783,066</u>	<u>6,343,060</u>
Cash flows from investing activities:		
Purchases of fixed assets	(186,618)	(301,450)
Proceeds from sale of fixed assets	-	2,338
Purchases of investments	(19,881,114)	(12,122,628)
Proceeds from sales of investments	<u>18,232,396</u>	<u>5,312,558</u>
Net cash used by investing activities	<u>(1,835,336)</u>	<u>(7,109,182)</u>
Net increase (decrease) in cash and cash equivalents	947,730	(766,122)
Cash and cash equivalents, beginning of year	<u>2,855,767</u>	<u>3,621,889</u>
Cash and cash equivalents, end of year	<u>\$ 3,803,497</u>	<u>\$ 2,855,767</u>

The accompanying notes are an integral part of these financial statements

# Truth For Life

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 1: Summary of Significant Accounting Policies

#### Nature of Organization

Truth For Life (the “Organization”), incorporated in December 1994, under the laws of the State of Ohio, is a not-for-profit religious corporation. The Organization is dedicated to proclaiming the Gospel through radio and digital programs and related study materials. The programs consist of the sermons of Pastor Alistair Begg, Senior Pastor at Parkside Church in Ohio.

#### Basis of Presentation

The Organization follows authoritative guidance issued by the Financial Accounting Standards Board (FASB) which established the FASB Accounting Standards Codification (ASC) as the single source of authoritative accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed stipulations, whether due to time or purpose. These include net assets designated by the Board of Directors to be set aside for specific purposes over which the Board retains control and may, at its discretion, subsequently be used for other purposes.

*Net Assets With Donor Restrictions* – Net assets whose use has been limited by a donor to a specific time period or purpose. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

#### Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

#### Adopted Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases* (ASU 2016-02). The new standard establishes a right-of-use (“ROU”) model that requires a lessee to record a ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities and functional expenses. This ASU is effective for annual periods beginning after December 15, 2021. On January 1, 2022, the Organization adopted this ASU. There was no material impact resulting from the adoption of this standard.

# Truth For Life

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 1: Summary of Significant Accounting Policies (continued)

#### Adopted Accounting Pronouncements (continued)

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which clarifies the presentation of contributed nonfinancial assets as a separate line item in the statement of activities and enhances disclosure requirements. On January 1, 2022, the Organization adopted this ASU. There was no material impact resulting from the adoption of this standard.

#### Revenue Recognition

Revenue is recognized upon transfer of control of products. Control transfers when products are shipped (point in time). Products include books, recordings, and other materials. The products are available to the general public on the Organization's website, and revenue is recognized as products are shipped to these individuals. As a practical expedient, the Organization may apply revenue recognition guidance to a portfolio of contracts with similar characteristics if the Organization reasonably expects the effects on the financial statements of applying this guidance to the portfolio would not differ materially from applying this guidance to the individual contracts (or performance obligations) within that portfolio. The Organization is taking the practical expedient approach, as all contracts with the general public for the purchase of items for sale are similar.

Truthpartner memberships are primarily contributions; however, they include a right for Truthpartners to elect to receive premiums throughout the year. Not every member elects to receive such premiums. While this right to elect to receive premiums represents an exchange transaction, management has determined that the effect of the Organization recognizing Truthpartner revenue at the time of contribution is not materially different than if the Organization were to identify and recognize the exchange portion at the time a Truthpartner exercises their right to receive a premium, or such right expires. The Organization is taking the practical expedient approach, as memberships are very similar for each individual membership purchased.

There were no material contract assets or liabilities at December 31, 2022, 2021, and 2020.

The Organization recognizes unconditional promises to give as revenue in the period in which the promise is received. If there are no donor-imposed restrictions on the use of funds, then those revenues are classified as without donor restrictions. If a donor-imposed restriction exists, then it must be determined if this restriction is with regard to time or purpose, or in perpetuity and classified in the financial statements as net assets with donor restrictions. A donor-imposed restriction is present when the contributor of funds designates a specific purpose or time period in which the funds may be used. At the time when this donor-imposed restriction has been satisfied, net assets with donor restrictions are reclassified as net assets without donor restrictions, and would be disclosed in the statement of activities.

# Truth For Life

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 1: Summary of Significant Accounting Policies (continued)

#### Revenue Recognition (continued)

If donor-imposed conditions exist, revenue is recognized when the conditions are substantially met. A donor-imposed condition exists when (a) one or more barriers must be overcome before a recipient is entitled to the assets transferred or promised, and (b) a right of return to the contributor for assets transferred or a right of release of the promisor from its obligation to transfer assets exists. When the conditions are substantially met, revenue is recognized as support without donor restrictions or revenue with donor restrictions if donor-imposed stipulations are present. No funding with donor-imposed conditions was received during the years ended December 31, 2022 and 2021.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash and Cash Equivalents

The Organization considers deposits in financial institutions or time deposits, excluding brokerage cash and money market funds, with an original maturity date of 90 days or less to be cash and cash equivalents. The balances, at times, may exceed federally insured limits.

#### Accounts Receivable

Accounts receivable are uncollateralized obligations and are stated at the amount billed. Customer account balances with invoices dated over 90 days old are considered delinquent.

The carrying amount of accounts receivable may be reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances that exceed 90 days from invoice date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. At December 31, 2022 and 2021, management estimated that no reserve was required.

# Truth For Life

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 1: Summary of Significant Accounting Policies (continued)

#### Inventory

Inventory is carried at the lower of cost or net realizable value. Cost is determined using the average cost method. Inventory consists principally of recorded versions of Alistair Begg's Bible teachings, books, and other materials for distribution to listeners of the radio broadcasts and website visitors. Management periodically reviews its inventory for excess and obsolescence. At December 31, 2022 and 2021, management estimated that a reserve of \$95,000 and \$35,147, respectively, was required.

#### Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Interest, dividends, realized and unrealized gains and losses, if any, and investment fees are included in investment return, net in the statements of activities. Cash flows from donated securities which are sold immediately are considered operating cash flows in the accompanying statements of cash flows.

Investment return, net consisted of the following for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 331,120	\$ 22,628
Net realized and unrealized loss	<u>(1,142,213)</u>	<u>(7,141)</u>
	\$ <u>(811,093)</u>	\$ <u>15,487</u>

#### Property and Equipment

The Organization's purchased equipment is carried at cost. Donated assets to be used in the ministry are capitalized at their fair market value on the date of the gift. Maintenance and repairs are charged to expense as incurred, whereas the cost of property and equipment additions and improvements are capitalized. The cost of assets sold, retired or abandoned, and the related amounts of accumulated depreciation are removed from the accounts in the year of disposition and any resultant gain or loss is recognized in the statement of activities.

Depreciation is provided on the straight-line basis over the estimated useful lives of the assets as follows:

Land improvements	20 years
Building and improvements	25 – 40 years
Furniture and equipment	3 – 15 years

# Truth For Life

## Notes to the Financial Statements

December 31, 2022 and 2021

**Note 1: Summary of Significant Accounting Policies (continued)**

Shipping Costs

Billings for shipping and handling costs are recorded against cost of sales.

Income Taxes

The Organization is tax-exempt, under Section 501(c)(3) of the Internal Revenue Code of 1986. No provision for federal or state income taxes has been reported in its financial statements.

The Organization accounts for income taxes in accordance with the “Income Taxes” topic of the FASB ASC. Uncertain income tax positions are evaluated at least annually by management. As of December 31, 2022 and 2021, the Organization has identified no uncertain income tax positions and has incurred no amounts for income tax penalties and interest for the years then ended.

The Organization files its Federal Form 990 in the U.S. federal jurisdiction and a state registration in the office of the state’s attorney general for the State of Ohio.

Contributed Services

The Organization recognizes contributions of services received when those services (1) create or enhance nonfinancial assets or (2) require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donation. There were no donated contributions of services for the years ended December 31, 2022 and 2021.

Many volunteers have contributed significant amounts of their time to the Organization. The volunteer assistance is used primarily in assembling materials for sale and for processing orders. No amounts have been reflected in the financial statements for these contributed services as the services do not meet the criteria for recording as outlined above.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 30, 2023, the date the financial statements were available to be issued.

# Truth For Life

## Notes to the Financial Statements

**December 31, 2022 and 2021**

**Note 2: Fair Value Measurements**

In accordance with the “Fair Value Measurements” topic of the FASB ASC, the Organization uses a three-level fair value hierarchy that categorizes assets and liabilities measured at fair value based on the observability of the inputs utilized in the valuation. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own valuation assumptions. These inputs reflect management’s judgment about the assumptions that a market participant would use in pricing the asset, and are based on the best available information which has been internally developed.

The following table sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value:

	Level 1	Level 2	Level 3	2022
Money market funds	\$ 3,971,091	\$ -	\$ -	\$ 3,971,091
Mutual funds- equities	1,925,997	-	-	1,925,997
Mutual funds- fixed income and preferred securities	4,065,728	-	-	4,065,728
Government securities	4,878,429	-	-	4,878,429
	<b>\$ 14,841,245</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,841,245</b>
	Level 1	Level 2	Level 3	2021
Money market funds	\$ 4,319,584	\$ -	\$ -	\$ 4,319,584
Mutual funds- equities	2,027,764	-	-	2,027,764
Mutual funds- fixed income and preferred securities	7,987,392	-	-	7,987,392
	<b>\$ 14,334,740</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,334,740</b>

**Note 3: Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for the following purposes as of December 31:

	2022	2021
Kingdom Satellite project	\$ <u>45,000</u>	\$ <u>-</u>
Total net assets with donor restrictions	<b>\$ <u>45,000</u></b>	<b>\$ <u>-</u></b>

# Truth For Life

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 3: Net Assets with Donor Restrictions (continued)

Net assets were released from time and/or donor restrictions during the years ended 2022 and 2021 by incurring expenses satisfying the restricted purpose specified by the donors as follows:

	<u>2022</u>	<u>2021</u>
Kingdom Satellite project	\$ 25,000	\$ -
IT Integration project	<u>-</u>	<u>50,000</u>
Total net assets released from restriction	\$ <u>25,000</u>	\$ <u>50,000</u>

### Note 4: Commitments

The cost of radio airtime was \$5,846,519 and \$5,690,610 for the years ended December 31, 2022 and 2021, respectively. The radio programs are aired on over 1,900 radio stations around the world. The contracts with those radio stations are cancelable with 30 days' notice.

### Note 5: Related-Party Transactions

The Organization received approximately \$25,000 and \$25,000 in contributions from Parkside Church during the years ended December 31, 2022 and 2021, respectively. The Organization received \$61,987 and \$59,757 in livestream cost reimbursements from Parkside Church during the years ended December 31, 2022 and 2021, respectively. The Organization had outstanding receivables due from Parkside Church of \$40,005 and \$-0- at December 31, 2022 and 2021, respectively.

The Organization received approximately \$172,000 and \$325,000 in contributions from members of the Board of Directors and the entities with which members of the Board of Directors are affiliated during the years ended December 31, 2022 and 2021, respectively.

### Note 6: Retirement Plan

The Organization participates in the Truth For Life Retirement Plan (the "Plan"). The Plan covers all employees over the age of 18 who normally work at least 20 hours per week. All contributions and earnings are fully vested after three years of employment. Each participant may elect to defer a portion of their annual compensation up to the amounts allowed by law. The Organization matches 50% of the first 10% of deferrals made by employees. The Organization may also make discretionary contributions to the Plan. During the years ended December 31, 2022 and 2021, expense related to the matching and employer contributions to the Plan totaled \$187,087 and \$183,236, respectively, and no discretionary contributions were made to the Plan.



# Truth For Life

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 7: Allocation of Joint Activities Costs

For the years ended December 31, 2022 and 2021, Truth For Life incurred costs for producing and distributing their radio programming as well as direct mailings to listeners. These materials included: information, materials, and activities that included fundraising appeals. These costs were allocated to fundraising, management and general and program services as follows:

	<u>2022</u>	<u>2021</u>
Fundraising	\$ 918,173	\$ 544,842
Management and general	992,245	982,681
Program services	<u>13,397,769</u>	<u>10,612,891</u>
Total joint activities costs	\$ <u>15,308,187</u>	\$ <u>12,140,414</u>

### Note 8: Functional Expenses

The statement of functional expenses presents expenses by functional and natural classification. Expenses directly attributable to program services, general and administrative, and fundraising are reported as expenses of those functional areas. Payroll expenses have been allocated between program, general and administrative, and fundraising functions based on job roles. Other indirect expenses have been allocated to functional areas on the basis of payroll per functional area as a percentage of total payroll costs.

### Note 9: Liquidity and Availability of Resources

The Organization's financial assets available within one year of December 31 for general expenditure are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 3,803,497	\$ 2,855,767
Accounts receivable	40,835	19,963
Investments	<u>14,841,245</u>	<u>14,334,740</u>
	18,685,577	17,210,470
Less amounts unavailable:		
Board-designated – Operating Fund	(10,000,000)	(5,000,000)
Board-designated – Facilities Fund	<u>(1,440,159)</u>	<u>(1,378,635)</u>
	<u>(11,440,159)</u>	<u>(6,378,635)</u>
Total financial assets available within one year	\$ <u>7,245,418</u>	\$ <u>10,831,835</u>

# **Truth For Life**

## **Notes to the Financial Statements**

**December 31, 2022 and 2021**

**Note 9: Liquidity and Availability of Resources (continued)**

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, the Board of Directors, at its discretion, may repurpose Board-designated funds for the purpose of general expenditures.