

**AUDIO SCRIPTURE MINISTRIES**  
**(A Non-Profit Corporation)**  
**FINANCIAL STATEMENTS**  
**WITH SUPPLEMENTARY INFORMATION**  
  
**SEPTEMBER 30, 2024 AND 2023**



# DOLINKA, VANNOORD & COMPANY

A PROFESSIONAL LIMITED LIABILITY PARTNERSHIP

C e r t i f i e d   P u b l i c   A c c o u n t a n t s

## INDEPENDENT AUDITORS' REPORT

Officers and Board of Directors  
Audio Scripture Ministries  
Holland, Michigan

### Opinion

We have audited the accompanying financial statements of Audio Scripture Ministries (a nonprofit organization), which are comprised of the statement of financial position as of September 30, 2024 and 2023, 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 Audio Scripture Ministries 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 Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Audio Scripture Ministries 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 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 Audio Scripture Ministries' ability to continue as a going concern within one year after the date that the 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 financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 Audio Scripture Ministries' 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 Audio Scripture Ministries' 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

DOLINKA, VANNOORD & COMPANY, P.L.L.P.



Certified Public Accountants  
Grand Rapids, Michigan

January 16, 2025

**AUDIO SCRIPTURE MINISTRIES  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2024 AND 2023**

	<b>ASSETS</b>	
	<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 567,732	\$ 542,388
Investments	1,535,867	1,629,280
Inventory	<u>26,082</u>	<u>78,720</u>
<b>TOTAL CURRENT ASSETS</b>	<u>\$ 2,129,681</u>	<u>\$ 2,250,388</u>
 <b>PROPERTY AND EQUIPMENT</b>		
Office Equipment	\$ 25,235	\$ 30,560
Less: Accumulated Depreciation	<u>(16,569)</u>	<u>(18,398)</u>
<b>NET PROPERTY AND EQUIPMENT</b>	<u>\$ 8,666</u>	<u>\$ 12,162</u>
 <b>TOTAL ASSETS</b>	<u><u>\$ 2,138,347</u></u>	<u><u>\$ 2,262,550</u></u>

The accompanying notes are an integral part of these financial statements.  
See independent auditors' report.

**AUDIO SCRIPTURE MINISTRIES  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 1,121	\$ 1,114
Accrued Expenses:		
Interest	195	195
Vacation Pay	8,986	6,018
Annuity Obligations	<u>369</u>	<u>436</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>\$ 10,671</u>	<u>\$ 7,763</u>
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	\$ 1,510,709	\$ 1,617,733
Board Designated	<u>201,682</u>	<u>257,682</u>
Total Net Assets Without Donor Restrictions	\$ 1,712,391	\$ 1,875,415
With Donor Restrictions	<u>415,285</u>	<u>379,372</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 2,127,676</u>	<u>\$ 2,254,787</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 2,138,347</u></u>	<u><u>\$ 2,262,550</u></u>

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**AUDIO SCRIPTURE MINISTRIES**  
**STATEMENT OF ACTIVITIES**  
**YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>						
Contributions:						
Individuals and Organizations	\$ 1,024,718	\$ 449,245	\$ 1,473,963	\$ 793,530	\$ 585,505	\$ 1,379,035
In-Kind Income	47,800	-	47,800	60,202	-	60,202
Handling Fee Income	59,306	-	59,306	51,259	-	51,259
Other Income	3,793	-	3,793	70	-	70
Net Investment Return	195,136	-	195,136	84,818	-	84,818
Gain on Sale of Office Equipment	250	-	250	-	-	-
Net Assets Released from Donor Restriction	413,332	(413,332)	-	482,835	(482,835)	-
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$ 1,744,335</b>	<b>\$ 35,913</b>	<b>\$ 1,780,248</b>	<b>\$ 1,472,714</b>	<b>\$ 102,670</b>	<b>\$ 1,575,384</b>
 <b>EXPENSES</b>						
Program Expenses	\$ 1,612,657	\$ -	\$ 1,612,657	\$ 1,005,449	\$ -	\$ 1,005,449
Supporting Services:						
General and Administrative	175,161	-	175,161	162,920	-	162,920
Fundraising	119,541	-	119,541	115,940	-	115,940
<b>TOTAL EXPENSES</b>	<b>\$ 1,907,359</b>	<b>\$ -</b>	<b>\$ 1,907,359</b>	<b>\$ 1,284,309</b>	<b>\$ -</b>	<b>\$ 1,284,309</b>
 <b>CHANGE IN NET ASSETS</b>	<b>\$ (163,024)</b>	<b>\$ 35,913</b>	<b>\$ (127,111)</b>	<b>\$ 188,405</b>	<b>\$ 102,670</b>	<b>\$ 291,075</b>
 <b>NET ASSETS - BEGINNING OF THE YEAR</b>	<b>1,875,415</b>	<b>379,372</b>	<b>2,254,787</b>	<b>1,687,010</b>	<b>276,702</b>	<b>1,963,712</b>
 <b>NET ASSETS - END OF THE YEAR</b>	<b>\$ 1,712,391</b>	<b>\$ 415,285</b>	<b>\$ 2,127,676</b>	<b>\$ 1,875,415</b>	<b>\$ 379,372</b>	<b>\$ 2,254,787</b>

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**AUDIO SCRIPTURE MINISTRIES**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2024**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2023)**

	Program Expenses							Supporting Services			
	Resource Distribution	Language and Recordings	Integral Missions	Partnership and Collaborations	Resources and Technology	Bible Engagement	Total Programs	General and Administrative	Fundraising	2024 TOTAL	2023 TOTAL
Salaries and Wages	\$ 118,460	\$ 37,143	\$ 27,881	\$ 141,122	\$ 41,065	\$ 73,699	\$ 439,370	\$ 94,888	\$ 69,951	\$ 604,209	\$ 525,105
FICA Payroll Taxes	9,018	2,827	2,122	10,743	3,126	5,610	33,446	7,224	5,325	45,995	40,070
Group Health Insurance	20,990	6,581	4,940	25,005	7,276	13,059	77,851	16,814	12,395	107,060	96,732
Workers Compensation Insurance	1,798	564	423	2,142	623	1,119	6,669	1,440	1,062	9,171	6,951
Medical Reimbursements	1,097	344	258	1,307	380	682	4,068	879	648	5,595	10,631
Annuity Interest Payments	-	-	-	-	-	-	-	778	-	778	1,262
Office Equipment and Supplies	4,029	506	380	1,923	560	1,004	8,402	1,293	953	10,648	16,288
Bank Service Charges	-	-	-	-	-	-	-	2,679	7,340	10,019	8,909
Promotion	-	-	-	-	-	-	-	21,970	946	22,916	47,702
Postage and Mailing	4,971	-	-	2,104	-	-	7,075	701	4,208	11,984	10,872
Dues and Subscriptions	-	-	-	-	-	-	-	3,359	9,188	12,547	3,438
Travel	2,501	784	589	2,980	867	1,556	9,277	2,003	1,477	12,757	11,259
Software	1,093	343	257	1,302	379	680	4,054	876	646	5,576	6,364
Internet and Phone	918	288	216	1,094	318	571	3,405	736	542	4,683	4,274
Depreciation	685	215	161	817	238	426	2,542	549	405	3,496	1,995
Equipment Rent	440	138	104	524	152	274	1,632	351	260	2,243	2,158
Storage Unit Rent	666	666	666	666	666	666	3,996	664	666	5,326	5,704
Repairs and Maintenance	36	11	8	43	12	22	132	30	21	183	117
Legal and Professional Fees	-	-	-	-	-	-	-	15,100	-	15,100	13,900
State Filing Fees	-	-	-	-	-	-	-	-	3,207	3,207	2,936
Training and Conferences	3,425	128	112	9,815	150	255	13,885	2,687	301	16,873	37,655
Digital Players Ministries	120,317	-	-	-	-	-	120,317	-	-	120,317	87,777
Missionary Support	129,214	95,843	223,074	412,251	-	16,154	876,536	140	-	876,676	342,210
<b>TOTALS</b>	<u><u>\$ 419,658</u></u>	<u><u>\$ 146,381</u></u>	<u><u>\$ 261,191</u></u>	<u><u>\$ 613,838</u></u>	<u><u>\$ 55,812</u></u>	<u><u>\$ 115,777</u></u>	<u><u>\$ 1,612,657</u></u>	<u><u>\$ 175,161</u></u>	<u><u>\$ 119,541</u></u>	<u><u>\$ 1,907,359</u></u>	<u><u>\$ 1,284,309</u></u>
<b>PERCENTAGE OF TOTAL EXPENSES</b>	<u><u>21.9%</u></u>	<u><u>7.7%</u></u>	<u><u>13.7%</u></u>	<u><u>32.2%</u></u>	<u><u>2.9%</u></u>	<u><u>6.1%</u></u>	<u><u>84.5%</u></u>	<u><u>9.2%</u></u>	<u><u>6.3%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>

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See independent auditors' report.

**AUDIO SCRIPTURE MINISTRIES**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Program Expenses							Supporting Services		
	Resource Distribution	Language and Recordings	Integral Missions	Partnership and Collaborations	Resources and Technology	Bible Engagement	Total Programs	General and Administrative	Fundraising	TOTAL EXPENSES
Salaries and Wages	\$ 108,288	\$ 34,383	\$ 24,914	\$ 124,513	\$ 34,824	\$ 48,364	\$ 375,286	\$ 85,563	\$ 64,256	\$ 525,105
FICA Payroll Taxes	7,970	2,531	1,834	9,165	2,563	3,560	27,623	7,718	4,729	40,070
Group Health Insurance	19,898	6,318	4,578	22,880	6,399	8,887	68,960	15,965	11,807	96,732
Workers Compensation Insurance	1,430	454	329	1,644	460	639	4,956	1,147	848	6,951
Medical Reimbursements	2,187	694	503	2,514	703	977	7,578	1,755	1,298	10,631
Annuity Interest Payments	-	-	-	-	-	-	-	1,262	-	1,262
Office Equipment and Supplies	4,431	699	3,863	2,531	708	983	13,215	1,767	1,306	16,288
Bank Service Charges	-	-	-	-	-	-	-	2,826	6,083	8,909
Promotion	3,116	-	-	-	-	7,271	10,387	21,956	15,359	47,702
Postage and Mailing	5,563	-	-	1,593	-	-	7,156	531	3,185	10,872
Dues and Subscriptions	-	-	-	-	-	-	-	3,301	137	3,438
Travel	4,175	735	533	2,663	745	1,034	9,885	-	1,374	11,259
Software	1,309	416	301	1,505	421	585	4,537	1,050	777	6,364
Internet and Phone	879	279	202	1,011	283	393	3,047	705	522	4,274
Depreciation	410	130	94	472	132	183	1,421	330	244	1,995
Equipment Rent	308	98	71	354	99	137	1,067	908	183	2,158
Storage Unit Rent	713	713	713	713	713	713	4,278	713	713	5,704
Repairs and Maintenance	24	8	6	28	8	11	85	18	14	117
Legal and Professional Fees	-	-	-	-	-	-	-	13,900	-	13,900
State Filing Fees	-	-	-	-	-	-	-	-	2,936	2,936
Training and Conferences	3,466	46	66	32,274	64	65	35,981	1,505	169	37,655
Digital Players Ministries	77,445	10,332	-	-	-	-	87,777	-	-	87,777
Missionary Support	150,018	106,250	61,517	17,724	-	6,701	342,210	-	-	342,210
<b>TOTALS</b>	<b>\$ 391,630</b>	<b>\$ 164,086</b>	<b>\$ 99,524</b>	<b>\$ 221,584</b>	<b>\$ 48,122</b>	<b>\$ 80,503</b>	<b>\$ 1,005,449</b>	<b>\$ 162,920</b>	<b>\$ 115,940</b>	<b>\$ 1,284,309</b>
<b>PERCENTAGE OF TOTAL EXPENSES</b>	<b>30.5%</b>	<b>12.8%</b>	<b>7.7%</b>	<b>17.3%</b>	<b>3.7%</b>	<b>6.3%</b>	<b>78.3%</b>	<b>12.7%</b>	<b>9.0%</b>	<b>100.0%</b>

The accompanying notes are an integral part of these financial statements.  
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**AUDIO SCRIPTURE MINISTRIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from:		
Contributions and Handling Fee Income	\$ 1,533,269	\$ 1,430,294
Interest Income	74,552	1,611
Cash Paid for:		
Operations	(1,803,824)	(1,295,457)
Interest	<u>(778)</u>	<u>(1,262)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ (196,781)</u>	<u>\$ 135,186</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash Received from Sale of Office Equipment	\$ 250	\$ -
Net Cash Received (Paid) for Investments	<u>221,942</u>	<u>(81,918)</u>
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>\$ 222,192</u>	<u>\$ (81,918)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash Payment of Annuity Obligations	<u>\$ (67)</u>	<u>\$ (176)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	\$ 25,344	\$ 53,092
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>542,388</u>	<u>489,296</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 567,732</u></u>	<u><u>\$ 542,388</u></u>

**NON-CASH TRANSACTIONS**

The Organization received \$47,800 and \$60,202 of donated goods for the years ended September 30, 2024 and 2023, respectively.

The accompanying notes are an integral part of these financial statements.  
See independent auditors' report.

**AUDIO SCRIPTURE MINISTRIES**  
**STATEMENT OF CASH FLOWS - CONTINUED**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES**

	<u>2024</u>	<u>2023</u>
<b>CHANGE IN NET ASSETS</b>	\$ (127,111)	\$ 291,075
<b>ADJUSTMENTS</b>		
Depreciation	3,496	1,995
Unrealized Gain on Investments	(128,529)	(90,669)
Gain on Sale of Office Equipment	(250)	-
In Kind Donation of Office Equipment	-	(10,000)
<b>CHANGES IN ASSETS AND LIABILITIES</b>		
<b>(Increase) Decrease in:</b>		
Inventory	52,638	(58,562)
<b>Increase in:</b>		
Accounts Payable	7	576
Accrued Expenses	<u>2,968</u>	<u>771</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><u>\$ (196,781)</u></u>	<u><u>\$ 135,186</u></u>

The accompanying notes are an integral part of these financial statements.  
See independent auditors' report.

**AUDIO SCRIPTURE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

Audio Scripture Ministries (ASM) is organized under Section 501(c)(3) of the Internal Revenue Code and is also exempt from state taxation. ASM's Global Support Team, which provides audio Bible distribution, communications, donor ministries, accounting and operational support for its global teams and partners, is located in West Michigan.

ASM helps connect people to God's Word in their own heart language by recording and distributing Bible and Bible Engagement Resources in audio.

ASM's commitment to the Great Commission leads us to serve others by:

- **Partnering** with national leaders, churches, ministries, and individuals to create and distribute Scripture media to share the Good News of Jesus.
- **Recording** Bible and Bible Engagement Resources in languages needed by people groups around the world.
- **Distributing** either directly or through others, Scripture media to all who need to hear.
- **Engaging** people to be in the Word, be with Jesus and be Transformed.
- **Serving** as the hands and feet of Jesus in Integral Mission so that barriers to sharing the Gospel are removed.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

The Organization places its cash, cash equivalents, and certificates of deposit with several financial institutions. At times, cash balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

**Investments**

Investments are valued at their fair market values in the statement of financial position. Realized and unrealized gains and losses are netted with any investment expenses and included in the statement of activities under net investment return. Investment advisory fees were \$7,945 and \$7,462 for the years ended September 30, 2024 and 2023, respectively. Investments in general are exposed to various risk, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

See independent auditors' report.

**AUDIO SCRIPTURE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Inventory**

Purchased inventories are stated at the lower of cost (first-in, first-out method) or net realizable value, including provisions for obsolescence commensurate with known or estimated exposures and consist of recording equipment and materials held for future ministry distribution. Donated inventories are stated at fair market value at the date of the gift. There is no obsolescence valuation necessary for the years ended September 30, 2024 and 2023.

**Property and Equipment**

Major property and equipment items are capitalized at cost, or if donated, at fair market value on the date of the gift. The Organization capitalizes assets acquired with a cost over \$3,000. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Repairs and maintenance and minor furnishings and equipment purchases are charged to expense as incurred.

Depreciation expense was \$3,496 and \$1,995 for the years ended September 30, 2024 and 2023, respectively.

**Net Assets**

The financial statements of Audio Scripture Ministries have been prepared in accordance with U.S. generally accepted accounting principles, which require Audio Scripture Ministries to report information regarding its financial position and activities according to the following net asset classifications:

**Net Assets without Donor Restrictions** – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of Audio Scripture Ministries' management and the board of directors.

**Net Assets with Donor Restrictions** – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Audio Scripture Ministries or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

See independent auditors' report.

**AUDIO SCRIPTURE MINISTRIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Net Assets Without Donor Restrictions - Board Designated**

The Organization's board of directors have set aside funds for specific uses. See the following detail for board designated net assets at September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
National Partners Emergency	\$ 20,500	\$ -
Annuity Payments	9,534	9,534
Audio Bibles - Where Most Needed	89,292	100,106
Partnerships and Projects	76,791	147,397
Special Projects	<u>5,565</u>	<u>645</u>
Total Board Designated Net Assets	<u><u>\$ 201,682</u></u>	<u><u>\$ 257,682</u></u>

**Net Assets with Donor Restrictions – By Time or Purpose**

The Organization has received contributions which have been restricted by time or for a specific purpose by the donor. Net assets with donor restrictions consist of the following at September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Purpose Restrictions:		
Missionary Support	\$ 59,928	\$ 62,082
Integral Missions	54,666	48,681
Language/Recordings	67,132	102,447
Audio Bibles/Distributions	<u>233,559</u>	<u>166,162</u>
Total Net Assets with Purpose Restrictions	<u><u>\$ 415,285</u></u>	<u><u>\$ 379,372</u></u>

**Public Support and Revenue**

Contributions are recognized as revenue when donations are received. Contributions received are recorded as support without donor restrictions and with donor restrictions depending on the existence and nature of any donor restrictions. Funds are released from net assets with restrictions when expenses have been incurred in satisfaction of these donor restrictions.

Various individuals have named ASM as a beneficiary in their wills. ASM will recognize the donation upon notification of actual bequest distribution amount.

See independent auditors' report.

**AUDIO SCRIPTURE MINISTRIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Leases**

Contracts with a term greater than one year that convey the right to direct the use of and obtain substantially all of the economic benefit of an asset are generally accounted for as right-of-use assets and a corresponding lease liability. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease right-of-use asset or liability recognized.

**Promotion Costs**

The organization expenses promotion costs as incurred. Promotion costs were \$22,916 and \$47,702 for the years ended September 30, 2024 and 2023, respectively.

**Non-Cash Donations of Services and Supplies**

Many individuals selflessly volunteer their time and perform a variety of tasks which assure the ongoing success of Audio Scripture Ministries. The Organization estimates that it received approximately 650 and 420 volunteer hours for the years ended September 30, 2024 and 2023, respectively. However, these services do not meet the criteria for recognition as contributed services for accounting purposes and have not been reflected in the financial statements for donated services. Donated services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. Donated goods are recorded on the basis of estimates of wholesale values that would be received for selling similar products at the date of donation. All donated goods were utilized by the Organization's programs services. There were no donor-imposed restrictions associated with the donated goods.

Donated goods have been recognized in the accompanying financial statements at their estimated wholesale value for the years ended September 30, 2024 and 2023.

	Program Services	
	2024	2023
Inventory - Audio Players	\$ 32,200	\$ 50,202
Inventory - Duplicators	15,600	-
Property and Equipment - Office Equipment	-	10,000
Total Non-Cash Donations Recorded	<u>\$ 47,800</u>	<u>\$ 60,202</u>

See independent auditors' report.

**AUDIO SCRIPTURE MINISTRIES  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Functional Expenses**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll and related expenses, occupancy expenses, depreciation, equipment rent, repairs and maintenance, training and travel which are allocated based on estimates of time spent on a full time equivalency method, and postage and mailing, executive director meetings and development, and storage rent were allocated based on time and effort.

**Use of Estimates**

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**Income Taxes**

The Organization is exempt from federal income taxes under Internal Revenue Service Code Section 501(c)(3).

With few exceptions, periods ending September 30, 2021 and thereafter are subject to U.S. income tax examinations.

**NOTE 2 - FAIR VALUE MEASUREMENTS**

The Organization's financial instruments consist primarily of cash and cash equivalents and marketable securities. The fair value of a financial instrument is the amount that would be received in an asset sale or paid to transfer a liability in an orderly transaction between unaffiliated market participants. Assets and liabilities measured at fair value are categorized based on whether the inputs are observable in the market and the degree that the inputs are observable. The categorization of financial instruments within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The hierarchy is prioritized into three levels (with Level 3 being the lowest) defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2: Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

See independent auditors' report.

**AUDIO SCRIPTURE MINISTRIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 2 - FAIR VALUE MEASUREMENTS-Continued**

The fair value of the Organization's cash equivalents and marketable securities was determined based on "Level 1" inputs. The Organization does not have any financial instruments in the "Level 2" or the "Level 3" categories as of September 30, 2024 and 2023.

The investments are recorded at fair value with any unrealized gains or losses being included in the statement of activities netted with realized gains or losses and investment expenses. The investments are composed of the following items at September 30, 2024 and 2023:

	Level 1	
	2024	2023
Cash and Money Market	\$ -	\$ 330
Certificates of Deposits	759,435	973,440
Exchange Traded Funds	331,000	252,659
Mutual Funds:		
Equity	159,335	202,690
Fixed Income	286,097	200,161
<b>Total Assets at Fair Value</b>	<b>\$ 1,535,867</b>	<b>\$ 1,629,280</b>

**NOTE 3 - AVAILABILITY AND LIQUIDITY**

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions, including board designations, within one year of the statement of financial position date:

	2024	2023
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 567,732	\$ 542,388
Investments	1,535,867	1,629,280
Total Financial Assets	\$ 2,103,599	\$ 2,171,668
Less Amounts Not Available to be Used within One Year		
Net Assets with Donor Restrictions	\$ 415,285	\$ 379,372
Board Designated Net Assets	201,682	257,682
Total Amounts Not Available within One Year	\$ 616,967	\$ 637,054
<b>Financial Assets Available to Meet General Expenditures Over the Next Year</b>	<b>\$ 1,486,632</b>	<b>\$ 1,534,614</b>

The Organization's written cash management plan is to keep enough cash on hand to cover obligations for three months. Excess cash that is above what is needed at the time is invested.

See independent auditors' report.



**AUDIO SCRIPTURE MINISTRIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 4 - ANNUITY OBLIGATIONS**

ASM has established a gift annuity plan whereby donors may contribute assets to the Organization in exchange for the right to receive a fixed dollar annual return during their lifetimes. Upon the death of the donor, the funds become the property of ASM. Gift annuities are reflected on the statement of financial position at the present value of the annuity payments based on life expectancy tables issued by the Internal Revenue Service.

**NOTE 5 - OPERATING LEASES**

The Organization has two 60 month operating leases with Pitney Bowes for postage machines. The first lease began in August, 2021 and runs through August, 2026. The second lease began in April, 2023 and runs through April, 2028. These two leases require quarterly payments of \$208 and \$227, respectively. Total operating lease expense was \$1,739 and \$1,460 for the years ended September 30, 2024 and 2023, respectively.

The Organization entered into a 12 month operating lease with Grand Rapids International Fellowship for office space requiring monthly payments of \$250. The lease expires May, 2025. Total operating lease expense was \$3,000 for both the years ended September 30, 2024 and 2023.

The Organization leases a storage unit as part of a month to month lease. The lease requires monthly payments that ranged from \$525 to \$134, changing to \$153 as of November, 2024. Total operating lease expense was \$5,326 and \$5,704 for the years ended September 30, 2024 and 2023, respectively.

The recording of a right-of-use asset and lease liability for these agreements were deemed to be unnecessary due to the insignificant nature of the agreements and payments were treated consistent with the short-term lease exception.

A schedule of minimum lease payments under the above non-cancelable operating leases are as follows:

<u>Year Ended</u>	<u>Amount</u>
September 30, 2025	\$ 3,739
September 30, 2026	1,531
September 30, 2027	907
September 30, 2028	<u>454</u>
<b>TOTAL</b>	<u><u>\$ 6,631</u></u>

**NOTE 6 - SUBSEQUENT EVENTS**

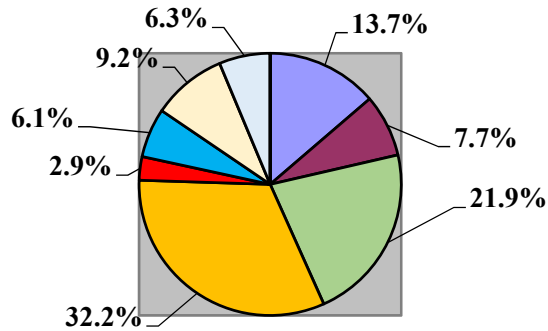
Management has evaluated subsequent transactions and events occurring after the statement of financial position date and through January 16, 2025, the date these financial statements were available to be issued, and has determined that there are no additional items that are required to be disclosed.

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## **SUPPLEMENTARY INFORMATION**

**AUDIO SCRIPTURE MINISTRIES  
EXPENSES BY FUNCTION  
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

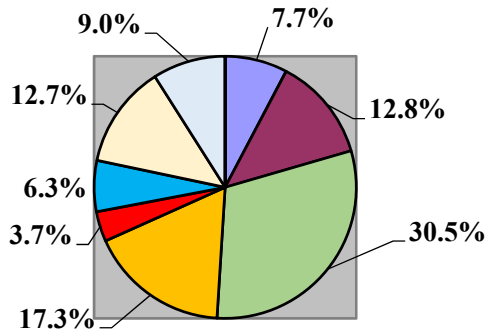
**2024**



Integral Missions	13.7%
Language and Recordings	7.7%
Resource Distribution	21.9%
Partnership and Collaborations	32.2%
Resources and Technology	2.9%
Bible Engagement	6.1%
General Administrative Expenses	9.2%
Fundraising	6.3%

<b>PROGRAM EXPENSES</b>	<b>84.5 %</b>
<b>SUPPORTING SERVICES</b>	<b>15.5 %</b>

**2023**



Integral Missions	7.7%
Language and Recordings	12.8%
Resource Distribution	30.5%
Partnership and Collaborations	17.3%
Resources and Technology	3.7%
Bible Engagement	6.3%
General Administrative Expenses	12.7%
Fundraising	9.0%

<b>PROGRAM EXPENSES</b>	<b>78.3 %</b>
<b>SUPPORTING SERVICES</b>	<b>21.7 %</b>

See independent auditors' report.