

ANKERBERG THEOLOGICAL RESEARCH INSTITUTE
FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

ANKERBERG THEOLOGICAL RESEARCH INSTITUTE
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Years Ended December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ankerberg Theological Research Institute

Opinion

We have audited the accompanying financial statements of Ankerberg Theological Research Institute (a nonprofit Tennessee 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 Ankerberg Theological Research Institute 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 Ankerberg Theological Research Institute 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 Ankerberg Theological Research Institute'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 Ankerberg Theological Research Institute'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 Ankerberg Theological Research Institute'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.

BARTO, HOSS & COMPANY, P.C.

Chattanooga, Tennessee
July 19, 2023

ANKERBERG THEOLOGICAL RESEARCH INSTITUTE
STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 4,693,317	\$ 4,006,491
Certificate of deposit	235,864	235,864
Accounts receivable	1,205	6,924
Accounts receivable - related party	24,733	7,740
Accounts receivable - ATRI Canada	-	20,756
Note receivable - employee - current portion	3,520	-
Inventory	3,113	8,320
Prepaid expenses	326,163	390,701
Total Current Assets	5,287,915	4,676,796
Property and Equipment		
Land	194,798	194,798
Land improvements	50,359	46,395
Video production equipment	443,419	443,419
TV production equipment	611,630	611,630
Furniture and fixtures	296,584	311,308
Computers and software	549,613	533,651
Vehicles	52,991	52,991
Timeshare	57,900	57,900
Buildings	2,712,948	2,046,333
Construction in progress	-	544,286
Right-of-use asset - operating	25,074	-
Right-of-use asset - finance	44,104	-
	5,039,420	4,842,711
Less: Accumulated Depreciation	2,358,125	2,078,080
Total Property and Equipment	2,681,295	2,764,631
Other Assets		
Investments	5,991	5,991
Note receivable - employee	15,532	-
Cash surrender value of life insurance, net	198,554	132,371
Total Other Assets	220,077	138,362
Total Assets	\$ 8,189,287	\$ 7,579,789

The accompanying notes are an integral part of these statements.

ANKERBERG THEOLOGICAL RESEARCH INSTITUTE
STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

	2022	2021
LIABILITIES AND NET ASSETS		
Current Liabilities		
Operating lease obligation	\$ 25,074	\$ -
Finance lease obligation - current	14,504	14,667
Accounts payable	156,377	89,107
Accrued expenses	116,067	201,663
Total Current Liabilities	312,022	305,437
Long-Term Debt		
Finance lease obligations	10,853	12,212
Total Long-Term Debt	10,853	12,212
Total Liabilities	322,875	317,649
Net Assets		
Without donor restrictions	7,815,912	7,211,640
With donor restrictions (Note 3)	50,500	50,500
Total Net Assets	7,866,412	7,262,140
Total Liabilities and Net Assets	\$ 8,189,287	\$ 7,579,789

The accompanying notes are an integral part of these statements.

ANKERBERG THEOLOGICAL RESEARCH INSTITUTE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

	2022		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Other Support:			
Contributions and premiums	\$ 8,576,428	\$ -	\$ 8,576,428
Interest and dividend income	48	-	48
Royalty income	3,163	-	3,163
Gain on disposal of assets	-	-	-
PPP loan income	-	-	-
Other income (loss)	676	-	676
Net assets released from restrictions	-	-	-
Total Revenues and Other Support	<u>8,580,315</u>	<u>-</u>	<u>8,580,315</u>
Expenses:			
Program services	6,329,499	-	6,329,499
Management and general	1,149,699	-	1,149,699
Fundraising	466,510	-	466,510
Rental expenses	30,335	-	30,335
Total Expenses	<u>7,976,043</u>	<u>-</u>	<u>7,976,043</u>
Change in Net Assets	604,272	-	604,272
Net Assets - Beginning of Year	<u>7,211,640</u>	<u>50,500</u>	<u>7,262,140</u>
Net Assets - End of Year	<u>\$ 7,815,912</u>	<u>\$ 50,500</u>	<u>\$ 7,866,412</u>

The accompanying notes are an integral part of these statements.

ANKERBERG THEOLOGICAL RESEARCH INSTITUTE
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

	2021		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Other Support:			
Contributions and premiums	\$ 8,955,094	\$ -	\$ 8,955,094
Interest and dividend income	1,113	-	1,113
Royalty income	3,311	-	3,311
Gain on disposal of assets	970	-	970
PPP loan income	317,844	-	317,844
Other income (loss)	1,755	-	1,755
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues and Other Support	<u>9,280,087</u>	<u>-</u>	<u>9,280,087</u>
Expenses:			
Program services	5,783,448	-	5,783,448
Management and general	1,037,160	-	1,037,160
Fundraising	325,156	-	325,156
Rental expenses	<u>38,423</u>	<u>-</u>	<u>38,423</u>
Total Expenses	<u>7,184,187</u>	<u>-</u>	<u>7,184,187</u>
Change in Net Assets	2,095,900	-	2,095,900
Net Assets - Beginning of Year	<u>5,115,740</u>	<u>50,500</u>	<u>5,166,240</u>
Net Assets - End of Year	<u>\$ 7,211,640</u>	<u>\$ 50,500</u>	<u>\$ 7,262,140</u>

The accompanying notes are an integral part of these statements.

ANKERBERG THEOLOGICAL RESEARCH INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Rental Expenses</u>	<u>Total</u>
Accounting fees	\$ -	\$ 70,331	\$ -	\$ -	\$ 70,331
Apartment rental expenses	-	-	-	22,399	22,399
Bank and credit card charges	92,239	12,192	-	-	104,431
Conferences, conventions and meetings	591,351	85,884	57,864	-	735,099
Contract services	179,072	-	-	-	179,072
Depreciation	219,241	42,307	10,558	7,936	280,042
Dues and subscriptions	-	56,640	-	-	56,640
Employee benefits	87,659	29,220	4,871	-	121,750
Equipment rental	33,120	-	-	-	33,120
Insurance	29,886	-	-	-	29,886
Interest	1,498	473	-	-	1,971
Internet expenses	43,327	-	-	-	43,327
Legal fees	-	49,717	-	-	49,717
Licenses and taxes	-	4,018	-	-	4,018
Maintenance and repairs	-	5,781	-	-	5,781
Missionary outreach	1,369,495	-	-	-	1,369,495
Occupancy	61,833	76,468	-	-	138,301
Office supplies and expenses	117,537	117,537	-	-	235,074
Payroll taxes	65,785	39,246	17,717	-	122,748
Postage and shipping	73,805	10,059	21,590	-	105,454
Printing and publications	224,432	-	38,462	-	262,894
Promotional	-	-	45,951	-	45,951
Salaries and wages	930,699	545,894	261,631	-	1,738,224
Telephone	74,507	-	-	-	74,507
Travel	3,932	3,932	7,866	-	15,730
TV production	<u>2,130,081</u>	-	-	-	<u>2,130,081</u>
 Totals	 <u>\$6,329,499</u>	 <u>\$1,149,699</u>	 <u>\$ 466,510</u>	 <u>\$ 30,335</u>	 <u>\$7,976,043</u>

The accompanying notes are an integral part of these statements.

ANKERBERG THEOLOGICAL RESEARCH INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Rental Expenses</u>	<u>Total</u>
Accounting fees	\$ -	\$ 61,497	\$ -	\$ -	\$ 61,497
Apartment rental expenses	-	-	-	30,360	30,360
Bank and credit card charges	100,819	15,012	-	-	115,831
Conferences, conventions and meetings	144,194	25,447	-	-	169,641
Contract services	98,888	-	-	-	98,888
Depreciation	230,829	45,532	7,590	7,937	291,888
Dues and subscriptions	-	908	-	-	908
Employee benefits	283,333	94,444	15,743	-	393,520
Equipment rental	30,089	-	-	-	30,089
Insurance	22,642	-	-	-	22,642
Interest	5,782	10,362	-	126	16,270
Internet expenses	57,952	-	-	-	57,952
Legal fees	-	10,445	-	-	10,445
Licenses and taxes	-	3,450	-	-	3,450
Maintenance and repairs	-	3,745	-	-	3,745
Missionary outreach	1,248,527	-	-	-	1,248,527
Occupancy	72,633	96,845	-	-	169,478
Office supplies and expenses	113,107	113,106	-	-	226,213
Payroll taxes	61,273	35,617	11,172	-	108,062
Postage and shipping	93,268	10,819	25,415	-	129,502
Printing and publications	234,039	-	36,023	-	270,062
Promotional	-	-	42,936	-	42,936
Salaries and wages	966,316	507,126	180,666	-	1,654,108
Telephone	75,423	-	-	-	75,423
Travel	2,805	2,805	5,611	-	11,221
TV production	1,941,529	-	-	-	1,941,529
Totals	<u>\$5,783,448</u>	<u>\$1,037,160</u>	<u>\$ 325,156</u>	<u>\$ 38,423</u>	<u>\$7,184,187</u>

The accompanying notes are an integral part of these statements.

ANKERBERG THEOLOGICAL RESEARCH INSTITUTE
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 604,272	\$ 2,095,900
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	280,042	291,888
(Gain) on disposal of assets	-	(970)
(Increase) decrease in operating assets		
Accounts receivable	9,482	75,483
Prepaid expenses	64,538	(1,715)
Cash surrender value of life insurance	(66,183)	257,905
Parts and supplies inventory	5,208	-
Increase (decrease) in operating liabilities		
Accounts payable	67,270	(55,495)
Accrued expenses	(85,595)	(15,891)
Accrued interest	-	(820)
Net cash provided by operating activities	<u>879,034</u>	<u>2,646,285</u>
Cash Flows From Investing Activities		
Investment acquisition	-	(1,176)
Long-term note receivable	(19,051)	-
Increase (decrease) in construction in progress	-	(155,045)
Purchases of fixed assets	<u>(158,158)</u>	<u>(5,839)</u>
Net cash used in investing activities	<u>(177,209)</u>	<u>(162,060)</u>
Cash Flows From Financing Activities		
Amortization of loan origination fees	-	5,467
Proceeds from equipment disposition	-	9,752
Payments on finance lease obligations	(14,999)	(24,660)
Payments on notes payable	<u>-</u>	<u>(804,206)</u>
Net cash used in financing activities	<u>(14,999)</u>	<u>(813,647)</u>
Increase (Decrease) in Cash and Cash Equivalents	686,826	1,670,578
Cash and Cash Equivalents at Beginning of Year	<u>4,006,491</u>	<u>2,335,913</u>
Cash and Cash Equivalents at End of Year	<u>\$4,693,317</u>	<u>\$ 4,006,491</u>

The accompanying notes are an integral part of these statements.

ANKERBERG THEOLOGICAL RESEARCH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note 1. Summary of Significant Accounting Policies

Nature of Activities Ankerberg Theological Research Institute was incorporated in June 1982, pursuant to the laws of the State of Tennessee and is a nonprofit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization produces the John Ankerberg Show, a television ministry, seen nationwide and internationally. The Organization is supported primarily by contributions and product sales.

The Organization was instrumental in helping to establish The John Ankerberg Show Canada on March 1, 2019. None of the assets, liabilities, income, and expenses of The John Ankerberg Show Canada are reflected in this Organization's books since they are separate legal entities.

Cash and Cash Equivalents For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, unless restricted by donor.

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed FDIC insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable Management has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Inventory Inventory consists of books, audio and videotapes, and other various materials that are offered as premiums to donors. This inventory is recorded at lower of cost or market, generally on a first-in, first-out basis.

Investments Investments are stated at fair value. Cash surrender value of officers' life insurance is stated at fair value based on calculations made by their insurer. Donated investment assets are recorded at fair value on the date of gift and recognized as unrestricted assets in the absence of any donor restrictions.

Property and Equipment Property and equipment is stated at cost. Per the Board Meeting Minutes from December 2, 2020, the Board voted to raise the capitalization for property and equipment from \$500 to \$2,500, retroactive to January 1, 2020. In years previous to 2020, acquisitions over \$500 are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Financial Statement Presentation The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows. Net assets with donor restrictions totaled \$50,500 as of December 31, 2022 and 2021, respectively.

ANKERBERG THEOLOGICAL RESEARCH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note 1. Summary of Significant Accounting Policies (continued)

Contributions Contributions received are recorded as contributions without donor restrictions or contributions with donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are recorded as contributions without donor restrictions.

Income Taxes Ankerberg Theological Research Institute qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3) and, accordingly, is exempt from federal and state income taxes. The Organization believes it is no longer subject to income tax examinations for years prior to 2019.

Management has evaluated the implications of FASB ASC 740 and the Organization believes that it has appropriate support for any tax positions taken and as such, does not have any uncertain tax positions (based on a “more-likely-than-not” standard for substantiation) that are material to the financial statements.

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

Functional Allocation of Expenses The costs of providing the Organization’s various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The method of allocation used for all of the expenses is time and effort as determined by management on an equitable basis.

Postage and Shipping Shipping and handling costs are included as a component of postage and shipping. The postage and shipping costs for the years ended December 31, 2022 and 2021 totaled \$105,454 and \$129,502, respectively.

TV Production Costs The costs to produce the John Ankerberg Show are expensed when incurred.

Date of Management’s Review Management has evaluated subsequent events through July 19, 2023, which represents the date on which the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Service Contracts Management has contracted with a travel service provider to provide air travel to and from large donor residences and company events. The value of the contract and any renewals is reflected in prepaid expenses. The contract is not considered a lease, as there is no direct control or ownership of any single aircraft. Costs incurred under this contract were \$666,186 and \$143,930 for 2022 and 2021, respectively and are reflected in Conferences, conventions, and meetings expense.

ANKERBERG THEOLOGICAL RESEARCH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

Note 2. Concentrations

Ankerberg Theological Research Institute maintains its cash balances at various banks located in Chattanooga, Tennessee. The Federal Deposit Insurance Corporation insures balances in each bank up to \$250,000. At December 31, 2022 and 2021, Ankerberg Theological Research Institute had \$4,063,311 and \$3,486,586, respectively, in uninsured bank balances. The Organization has not experienced any losses from this risk and believes it is not exposed to any significant credit risk on cash.

For the years ended December 31, 2022 and 2021, there were no significant donors who individually donated over 10 percent of the Organization's total support and revenue.

Note 3. Restricted Bank Account

A donor contributed to Ankerberg Theological Research Institute in 2020, with the restriction the funds be used for the Discipleship Program and other donor restricted purposes. A separate checking account was opened per the donor's instructions in 2017. The balance in the separate checking account for the Discipleship Program totaled \$50,500 as of December 31, 2022 and 2021, respectively.

Note 4. Related Parties and Receivables

For the years ended December 31, 2022 and 2021, Ankerberg Theological Research Institute had transactions with The John Ankerberg Show Canada in which two of its board members are also board members of Ankerberg Theological Research Institute. Additionally, the Organization had accounts receivable from The John Ankerberg Show Canada of \$0 and \$20,756, respectively, as of December 31, 2022 and 2021.

The Organization also had an amount receivable from another related party. Amounts due the Organization totaled \$24,733 and \$7,740, respectively, as of December 31, 2022 and 2021.

Note 5. Adoption of FASB ASC 842 - Leases

Effective January 1, 2022, the Organization adopted FASB ASC 842 Leases. The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The adoption of the new standard did not have a material effect on the Organization's statement of financial position, results of operations, or cash flows.

Operating leases. The Organization leases mailing equipment under a noncancelable operating lease with an unrelated party that calls for monthly payments of \$2,507 through October 2023. The lease expense for the years ended December 31, 2022 and 2021 totaled \$29,886 and \$30,089, respectively. In accordance with FASB ASC 842, the operating right-of-use asset and corresponding liability are reflected in the statement of financial position in the amount of \$25,074.

ANKERBERG THEOLOGICAL RESEARCH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

Scheduled future minimum lease payments are as follows:

Year ending December 31, 2023	<u>25,074</u>
Total	<u>\$ 25,074</u>

Finance Lease Obligations. The Organization is committed under the terms of the following capital leases. These assets are being depreciated over their estimated useful economic lives and are included in the depreciation expense for the years ended December 31, 2022 and 2021. For financial reporting purposes, the present value of the minimum lease payments has been capitalized and is summarized as follows:

	<u>2022</u>	<u>2021</u>
Notes payable to Bera Leasing, payable in monthly installments of \$460, including interest at 9.47% secured by copy equipment through November 2022.	\$ -0-	\$ 4,830
Notes payable to Bera Leasing, payable in monthly installments of \$479, including interest at 9.36% secured by copy equipment through December 2023.	5,462	10,438
Notes payable to Bera Leasing, payable in monthly installments of \$479, including interest at 9.36% secured by copy equipment through March 2024	6,750	11,611
Notes payable to Bera Leasing, payable in monthly installments of \$422, including interest at 7.94% secured by copy equipment through November 2025	<u>13,145</u>	<u>-0-</u>
Present value of minimum lease payments	25,357	26,879
Current portion	<u>14,504</u>	<u>14,667</u>
Noncurrent portion	<u>\$ 10,853</u>	<u>\$12,212</u>

Scheduled future minimum lease payments are as follows:

Year Ending December 31,	
2023	\$ 16,550
2024	6,500
2025	<u>4,642</u>
Total future minimum lease payments	27,692
Less—amount representing interest	<u>(2,335)</u>
Present value of minimum lease payments	<u>\$ 25,357</u>

**ANKERBERG THEOLOGICAL RESEARCH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021**

Note 6. Lines of Credit

The Organization has a line of credit with a bank for \$300,000 with a variable interest rate of 7.50% as of December 15, 2022. The line of credit with this same bank was \$300,000 with a variable interest rate of 4.75% for January 25, 2021, through January 25, 2022. The line of credit is secured by the equipment. No amounts were outstanding under the line of credit as of December 31, 2022 and 2021, respectively.

The Organization has a flex line of credit with a bank for \$25,000 with a variable interest rate of 6.25% for the year ended December 31, 2021, that is unsecured. No amounts were outstanding under the line of credit as of December 31, 2022 and 2021, respectively.

Note 7. Cash Surrender Value of Officers' Life Insurance

The Organization is the beneficiary of two insurance policies on the life of the President in 2022, and three insurance policies in 2021. At December 31, 2022 and 2021, the face value (death benefit) of these policies, totals \$1,100,000 and \$1,435,685, respectively. At December 31, 2022 and 2021, notes including accrued interest at 3.3% were payable to the insurance company in the amount of \$0 and \$152,679, respectively, collateralized by the cash value of one of the policies.

	<u>2022</u>	<u>2021</u>
Cash value of life insurance	\$ 198,554	\$ 285,050
Related policy loans	<u>-0-</u>	<u>152,679</u>
Net cash value of life insurance	<u>\$ 198,554</u>	<u>\$ 132,371</u>

Insurance premiums paid and changes in fair value on life insurance totaled \$141,491 and (\$130,289) at December 31, 2022 and 2021, respectively, and are included in Employee Benefits on the Statement of Functional Expenses.

Note 8. Supplemental Disclosures of Cash Flow Information

	<u>2022</u>	<u>2021</u>
Cash paid during the year for:		
Interest	<u>\$ 1,971</u>	<u>\$ 13,653</u>
Noncash financing transactions	<u>\$ 13,478</u>	<u>\$ 30,626</u>

**ANKERBERG THEOLOGICAL RESEARCH INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021**

Note 9. Availability and Liquidity

The following represents the Organization's financial assets at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 4,693,317	\$ 4,006,491
Certificate of deposit	235,864	235,864
Accounts receivable	1,205	6,924
Accounts receivable - related party	24,733	7,740
Note receivable - employee - current portion	3,520	-
Investments	<u>5,991</u>	<u>5,991</u>
 Total financial assets	 4,964,630	 4,263,010
 Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>50,500</u>	<u>50,500</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 4,914,130</u>	 <u>\$ 4,212,510</u>

The Organization's goal is generally to maintain financial assets to meet sixty days of operating expenses which is approximately \$1,100,000 based on the current budget. As part of the liquidity plan, excess cash is invested in CD's. The Organization has two lines of credit available to meet cash flow needs.