

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE A – ORGANIZATION AND CHURCH VISION

Joyce Meyer Ministries, Inc., headquartered in Fenton, Missouri, is organized as a church dedicated to Christian and charitable purposes. In its ministry as a church, Joyce Meyer Ministries, Inc. (the Church), conducts regular meetings worldwide, teaching biblical principles. Through its daily media outreach, millions of people receive life-changing biblical teaching through the Church's television and radio programs, CDs, DVDs, books and conferences. The Church's missions and outreach programs include feeding the poor; clothing the unclothed, visiting the prisoners, ministering to the elderly and reaching out and training people of all ages. The Church provides funding and helps oversee several orphanages that supply food and shelter to needy children. The Church provides global humanitarian aid to hurting people and disaster relief on a regular basis to those in devastating situations. The Church employs approximately 525 individuals to carry out its Christian and charitable purposes.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements of Joyce Meyer Ministries, Inc. have been prepared on the accrual basis. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

2. Revenue Recognition

Joyce Meyer Ministries, Inc. reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Gifts and contributions received with donor stipulations that limit the use of the asset are reported as restricted assets.

Contributions and offerings received are presented as restricted support if they are received with donor stipulations that limit the use of the contributions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the contribution is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. No amounts have been reflected in the statements for donated services since no objective basis is generally available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of time to the Church's program services. During 2008, approximately 77,000 hours were donated from volunteers for meetings and conferences.

The Church periodically exchanges educational resources with donors based on a designated contribution. At December 31, 2008, the cost of these direct donor benefits was approximately \$2.8 million. These costs are included as an offset to unrestricted contributions in the statement of activities.

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3. 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.

4. Cash and Cash Equivalents

The Church considers all highly liquid investments with an original maturity of three months or less to be cash equivalents for the purposes of the statement of cash flows. Deposits in excess of Federal Deposit Insurance Corporation's (FDIC) coverage were approximately \$783,000 at December 31, 2008. At December 31, 2008, money market and securities accounts of approximately \$5,355,000 were invested in commercial paper, repurchase agreements, variable rate instruments and bank instruments.

The Church maintains sufficient cash resources to cover near-term working capital needs.

5. Accounts Receivable

Accounts receivable is recognized on the accrual basis of accounting. Management believes these amounts to be fully collectible.

Accounts receivable is comprised of the following: approximately \$549,000 of accrued interest, approximately \$47,000 of royalties receivables and approximately \$98,000 of miscellaneous items.

6. Inventories

Inventory consists of books, CDs, DVDs and all other related items utilized in the media operation of the Church. Inventory is valued at the lower of cost or market with cost determined on the first-in first-out basis.

7. Fixed Assets and Depreciation

Expenditures and donated property fixed assets in excess of \$5,000 are recorded at cost if purchased or estimated fair market value if donated. Depreciation of fixed assets is provided over the estimated useful lives of the respective assets on a straight-line basis, ranging from 3-40 years. Expenditures for repairs and maintenance are charged to operating expense as incurred.

8. Investment Securities

The Church's investments consist of U.S. Treasury bonds and notes. The U.S. Treasury bonds and notes are stated at fair value based on quoted market price at year-end. Dividend, interest and other investment income are reported in the period earned as increases in unrestricted net assets unless the use of the assets received is limited by donor-imposed restrictions.

9. Compensated Absences

Full-time employees of the Church receive paid vacations and personal days off, depending on job classification, length of service and other factors. Compensated absences earned but not paid as of December 31, 2008, have been accrued.

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10. Deferred Revenues

Deferred revenues are generated from registration fees collected for 2009 conferences.

11. Income Taxes

The Church is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

12. Expenses

Advertising Costs – Are expensed as incurred.

Allocation of Fundraising Costs – The Church allocates fundraising costs in accordance with Statement of Position 98-2 "Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Governmental Entities That Include Fundraising." Joint costs affecting programs and fundraising have been reviewed by management and meet the criteria established by the Statement of Position. During 2008, approximately \$6 million of television and radio ministry expenses, salaries, meeting expenses and monthly mailing costs have been allocated to fundraising.

NOTE C – INVENTORIES

Inventories include the following at December 31, 2008:

Finished goods:	
CDs	\$ 193,065
DVDs	241,887
Books	1,394,290
Other inventory items	766,472
Supplies to produce finished goods	506,561
	<hr/> <hr/> \$ 3,102,275

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NOTE D – PROPERTY AND EQUIPMENT

Property and equipment includes the following at December 31, 2008:

Land and land improvements	\$ 4,650,779
Buildings	24,100,939
TV, computer and other equipment	23,483,761
Transportation equipment	19,514,577
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	71,750,056
Less: accumulated depreciation	(28,887,769)
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Total property and equipment	\$ 42,862,287

At December 31, 2008, the Church had one construction project in progress relating to the expansion of the media center. The project has been suspended with approximately \$157,000 of project costs incurred.

NOTE E – COMMITMENTS AND CONTINGENCIES

Airtime

The Church has radio and TV airtime contracts extending to 2009. These contracts may be terminated with a fourteen to sixty day notification. The average monthly cost of these contracts is approximately \$2.8 million.

Self-Insurance

The Church self-insures for workers' compensation and employee health claims. Operations are charged with the cost of claims reported and an estimate of claims incurred but not reported. A liability for unpaid claims and the associated claim expenses is recognized as an expense and accrued at year-end. The determination of such claims and expenses and the appropriateness of the related liability are continually reviewed by management and a third party. The Church has purchased stop loss insurance to supplement the plan, which will reimburse the Church for individual claims in excess of \$300,000 per occurrence. Policy limits for employer liabilities are \$1,000,000 per accident and \$2,000,000 in the aggregate.

NOTE F – RETIREMENT PLANS

The Church maintains two retirement plans that cover substantially all the employees who are full-time and at least 18 years of age. Contributions to the plans during 2008 were approximately \$402,000.

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NOTE G – SUPPORT OF OTHER MINISTRIES

During the 1990s, Joyce Meyer Ministries, Inc. began to finance the establishment of similar international ministries called Joyce Meyer Ministries Canada, Inc.; Joyce Meyer Ministries Australia, Inc.; Joyce Meyer Ministries England, Inc.; Joyce Meyer Ministries South Africa; Joyce Meyer Ministries Limited (East Africa); Joyce Meyer Foundation (Brazil); Joyce Meyer Ministries GmbH & Co, KG (Germany) and Joyce Meyer Ministries India. All expenses incurred by the Church on behalf of these affiliates have been recognized as missions and outreach in the statement of activities, except for certain costs that will be reimbursed. During 2008, the Church received \$4.2 million in contributions, distributed \$5.9 million in missions and outreach, and loaned approximately \$648,000 to its international affiliated ministries.

Missions and outreach of approximately \$78,000 were disbursed during 2008 to other related ministries to support the mission of those entities.

The Church and an organization created to assist the underprivileged have some board members in common. The Church provided approximately \$2.6 million of contributions or 79 percent of the total contributions to this organization for support for community outreach and volunteer training and education.