



IRAN ALIVE MINISTRIES

Financial Statements
With Independent Accountants' Review
Report

December 31, 2015

IRAN ALIVE MINISTRIES

Table of Contents

	<u>Page</u>
Independent Accountants' Review Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Iran Alive Ministries
Dallas, Texas

We have reviewed the accompanying financial statements of Iran Alive Ministries (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Iran Alive Ministries' management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Capin Crouse LLP".

Dallas, Texas
September 23, 2016

IRAN ALIVE MINISTRIES

Statement of Financial Position

December 31, 2015

ASSETS:

Cash and cash equivalents	\$	513,362
Accounts receivable		100,931
Loans receivable		52,013
Prepaid expenses and other assets		68,120
Furniture and equipment–net		<u>108,610</u>

Total Assets	\$	<u><u>843,036</u></u>
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LIABILITIES AND NET ASSETS:

Liabilities:

Accounts payable and accrued expenses	\$	75,623
Debt payable		<u>199,345</u>
		<u>274,968</u>

Net Assets:

Unrestricted:

Operating		243,942
Equity in furniture and equipment		<u>108,610</u>
		<u>352,552</u>
Temporarily restricted		<u>215,516</u>
		<u>568,068</u>

Total Liabilities and Net Assets	\$	<u><u>843,036</u></u>
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See accompanying notes and independent accountants' review report

IRAN ALIVE MINISTRIES

Statement of Activities

December 31, 2015

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:			
Contributions	\$ 683,132	\$ 1,230,827	\$ 1,913,959
Contract revenue	74,647	-	74,647
Other revenue	27,587	-	27,587
Total Support and Revenue	785,366	1,230,827	2,016,193
RECLASSIFICATIONS:			
Satisfaction of purpose restrictions	1,185,313	(1,185,313)	-
EXPENSES:			
Program services:			
TV	875,379	-	875,379
Counseling center	94,219	-	94,219
Online	123,971	-	123,971
Church planting	212,010	-	212,010
	1,305,579	-	1,305,579
Supporting activities:			
General and administrative	184,985	-	184,985
Fund-raising	240,351	-	240,351
	425,336	-	425,336
Total Expenses	1,730,915	-	1,730,915
Change in Net Assets	239,764	45,514	285,278
Net Assets, Beginning of Year	112,788	170,002	282,790
Net Assets, End of Year	\$ 352,552	\$ 215,516	\$ 568,068

See accompanying notes and independent accountants' review report

IRAN ALIVE MINISTRIES

Statement of Cash Flows

December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 285,278
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	103,136
Net change in operating assets and liabilities:	
Accounts receivable	(63,841)
Prepaid expenses and other assets	(7,371)
Accounts payable and accrued expenses	(572)
Net Cash Provided by Operating Activities	<u>316,630</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sale of investments	30,252
Loans receivable issued	(52,038)
Payments on loans receivable	25,375
Purchases of furniture and equipment	(4,888)
Net Cash Used by Investing Activities	<u>(1,299)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from debt payable	234,825
Payments on debt payable	(152,552)
Payments on capital lease	-
Net Cash Provided by Financing Activities	<u>82,273</u>

Net Change in Cash and Cash Equivalents 397,604

Cash and Cash Equivalents, Beginning of Year 115,758

Cash and Cash Equivalents, End of Year \$ 513,362

See accompanying notes and independent accountants' review report

IRAN ALIVE MINISTRIES

Notes to Financial Statements

December 31, 2015

1. NATURE OF ORGANIZATION:

Iran Alive Ministries' (IAM) mission is to transform the lives of Iranians through viral evangelism, obedience-based discipleship, and practical leadership development via satellite television, internet outreach, and the support of Church planting. IAM's primary source of support is contributions from the public. IAM also relies upon volunteers to help fill various roles within its home office located in Dallas, Texas.

IAM is incorporated under the laws of the State of Texas as a not-for-profit religious organization. IAM operates as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and is not a private foundation under Section 509(a) of the Code.

2. SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of IAM have been prepared on the accrual basis of accounting. 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 and disclosures. Accordingly, actual results could differ from those estimates. The significant accounting policies are described below.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of checking, savings, and money market accounts. These accounts, from time to time, may exceed federally insured limits. IAM has not experienced any losses on these accounts and does not believe it is subject to any credit risk on cash and cash equivalents.

INVESTMENTS

Investments consisted of certificates of deposit and are held at cost plus accrued interest. Donated investments are recorded at fair value on the date of donation. Interest income is recorded as other revenue on the statement of activities. All investments were sold during the year ended December 31, 2015.

LOANS RECEIVABLE

Loans receivable consist of an outstanding, non-interest bearing loan made to an employee of IAM in 2011 and a non-interest bearing loan to a new not-for-profit for set up costs. Proceeds from the loan to the employee were used by the employee to cover initial costs related to setting up a new residence, to further carry out the work of IAM. The employee discontinued working for IAM in August 2015 when IAM discontinued church planting in Iran. Management has not established an allowance for doubtful accounts as it believes the loan balance is fully collectible, and individual and new not-for-profit are both making monthly payments on the respective loans.

IRAN ALIVE MINISTRIES

Notes to Financial Statements

December 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

PREPAID EXPENSES

Prepaid expenses primarily are comprised of a satellite lease deposit. For the year ended December 31, 2015, the existing deposit experienced a currency valuation loss of \$4,623 resulting in a balance of \$41,080 as of December 31, 2015.

FURNITURE AND EQUIPMENT—NET

Furniture and equipment are recorded at cost or if donated, at their estimated fair market value at the date of the gift. Items with a cost or fair value in excess of \$1,000 are capitalized. Depreciation is provided on the straight-line method over estimated useful lives ranging from three to five years.

NET ASSETS

The financial statements report amounts separately by class of net assets:

Unrestricted net assets are currently available for use at the discretion of the board as well as resources invested in furniture and equipment.

Temporarily restricted net assets are those stipulated by donors for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled. Reclassifications to unrestricted net assets are made when the restrictions have been fulfilled.

SUPPORT, REVENUE, AND EXPENSES

Support is recognized when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to IAM. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Noncash gifts are recorded as contributions at their estimated fair value on the date of the gift.

Contract and other revenue are recorded when earned. Contract revenue represents air time that is sold. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

CURRENCY CONVERSION

Contributions are received in U.S. Dollars as well as in Euros, Canadian Dollars, and Great Britain Pounds. IAM also maintains petty cash on site in Euros, Canadian Dollars, Great Britain Pounds, and Swiss Francs as well as maintaining lease agreements and lease deposit in Euros. The exchange rate used for contributions is the daily rate provided by www.oanda.com, and the local bank exchange rate is used for payment conversions at the time the payment is made. Petty cash values and the prepaid lease deposit are revalued once a year and any gain/loss on the exchange is recorded in other revenue on the statement of activities.

IRAN ALIVE MINISTRIES

Notes to Financial Statements

December 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting activities.

JOINT ACTIVITIES

Joint activities are conducted that include requests for contributions as well as providing program service information. These activities include promotional mailings, conferences and other informational activities. There were no joint costs for the year ended December 31, 2015.

UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. As of December 31, 2015, IAM had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

IAM files information tax returns in the U.S. and various states. IAM is generally no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2012.

3. LOANS RECEIVABLE:

Principal payments are expected to be collected as follows:

Year Ending December 31,

2016	\$	38,042
2017		6,000
2018		6,000
2019		1,971
		<hr/>
	\$	<u>52,013</u>

IRAN ALIVE MINISTRIES

Notes to Financial Statements

December 31, 2015

4. FURNITURE AND EQUIPMENT–NET:

Furniture and equipment–net as of December 31, 2015, consists of:

Studio equipment	\$ 348,506
Leasehold improvements	79,576
Furniture and fixtures	47,718
Computers and software	67,706
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	543,506
Accumulated depreciation	(434,896)
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	\$ 108,610
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5. DEBT PAYABLE:

Debt payable as of December 31, 2015, consists of:

Revolving Line of Credit

Unsecured non interest bearing revolving line of credit to an individual, with monthly payments of \$10,000 until line of credit is paid in full. There is not currently a maximum established on the line of credit.

\$ 199,345

Future minimum payments for debt payable is:

Year Ending December 31,

2016	\$ 170,000
2017	29,345
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	\$ 199,345
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Subsequent to year-end, IAM made monthly payments of \$10,000 plus one additional payment of \$50,000.

IRAN ALIVE MINISTRIES

Notes to Financial Statements

December 31, 2015

6. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets as of December 31, 2015, are available for the following purpose:

Building fund	\$ 170,002
TV ministries	45,514
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	\$ 215,516
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7. OPERATING LEASES:

IAM leases their facilities with total monthly lease payments of approximately \$7,000, expiring in 2016. Total lease expense for the year ended December 31, 2015, was \$83,766. Future minimum lease payments are:

Year Ending December 31,

2016	\$ 81,192
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In addition, IAM leases satellite airtime. Monthly payments of 17,400 Euros were made for the period of January 2015 through October 2015, when the monthly payments were reduced to 16,700 Euros. IAM is contractually obligated for a period of 60 days beyond the last payment. Total satellite airtime expense was approximately \$231,000 for the year ended December 31, 2015.

8. CONCENTRATION RISK:

IAM received contributions of approximately \$832,600 from five contributors during the year ended December 31, 2015. These gifts accounted for approximately 44% of total contributions during the year ended December 31, 2015.

9. RELATED PARTY TRANSACTIONS:

IAM has an unsecured, revolving line of credit without a current ceiling for program related expenses from a family member of an employee of IAM. During the year ended December 31, 2015, IAM borrowed an additional \$234,825 and made payments totaling \$130,000 with loan forgiveness of \$22,550 resulting in an ending balance of \$199,345 at December 31, 2015.

In addition, IAM has an affiliate organization overseas known as IAM Europe. IAM Europe collected \$101,677 in contributions and paid out \$50,754 in expenses, for the year ended December 31, 2015. IAM Europe was holding cash in the amount of \$78,915 for IAM USA. The president of IAM serves on the boards of IAM Europe and IAM USA.

IRAN ALIVE MINISTRIES

Notes to Financial Statements

December 31, 2015

10. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.