

International Antioch Ministries, Inc. dba

Iran Alive Ministries, Inc.

Financial Statements

and

Independent Accountants' Review Report

For the Year Ended December 31, 2022

C O N T E N T S

Independent Accountants' Review Report	1
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Functional Expenses	4
Statement of Cash Flows.....	5
Notes to Financial Statements	6-11



ALEXANDER & WILLIAMS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors of
International Antioch Ministries, Inc.
dba Iran Alive Ministries, Inc.
Melissa, Texas

We have reviewed the accompanying financial statements of International Antioch Ministries, Inc. dba Iran Alive Ministries, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets 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 organization 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 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 these 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 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.

Alexander & Williams, LLC

August 11, 2023

Alexander & Williams, LLC
5050 Quorum Drive, Suite 700
Dallas, Texas 75254

INTERNATIONAL ANTIOCH MINISTRIES, INC. dba IRAN ALIVE MINISTRIES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

Current assets:	
Cash	\$ 805,620
Accounts receivable	4,000
Contributions receivable (Note 8)	200,000
Prepaid expenses	249,474
Total current assets	1,259,094
Property and equipment:	
Property and equipment, at cost (Note 2)	2,028,781
Less: accumulated depreciation	(734,419)
Total property and equipment, net	1,294,362
Other assets:	
Investments, at fair value (Note 5)	691,429
Total other assets	691,429
Total assets	\$ 3,244,885

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	\$ 79,795
Note payable, current portion (Note 4)	18,918
Total current liabilities	98,713
Note payable, less current portion and unamortized loan origination fees of \$7,445 (Note 4)	445,942
Commitments and contingencies (Note 7)	
Net assets:	
Without donor restrictions	2,403,580
With donor restrictions (Note 6)	296,650
Total net assets	2,700,230
Total liabilities and net assets	\$ 3,244,885

The accompanying notes are an integral part of these financial statements

INTERNATIONAL ANTIOCH MINISTRIES, INC. dba IRAN ALIVE MINISTRIES, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support:			
Contributions	\$ 1,612,201	\$ 180,495	\$ 1,792,696
Contract revenue	195,680	-	195,680
Special event income	66,499	-	66,499
In-kind contributions	8,244	-	8,244
Net assets released from restrictions	305,163	(305,163)	-
Total revenue and support	<u>2,187,787</u>	<u>(124,668)</u>	<u>2,063,119</u>
Expenses and losses:			
Program services	1,839,805	-	1,839,805
Management and general	208,707	-	208,707
Fundraising	104,947	-	104,947
Total expenses	<u>2,153,459</u>	<u>-</u>	<u>2,153,459</u>
Investment return, net	77,586	-	77,586
Total expenses and losses	<u>2,231,045</u>	<u>-</u>	<u>2,231,045</u>
Other income (expense):			
Gain on forgiveness of note payable	89,723	-	89,723
Loss on disposal of property and equipment	(1,500)	-	(1,500)
Miscellaneous income	1,282	-	1,282
Total other income (expense), net	<u>89,505</u>	<u>-</u>	<u>89,505</u>
Change in net assets	46,247	(124,668)	(78,421)
Net assets at beginning of year	<u>2,357,333</u>	<u>421,318</u>	<u>2,778,651</u>
Net assets at end of year	<u>\$ 2,403,580</u>	<u>\$ 296,650</u>	<u>\$ 2,700,230</u>

The accompanying notes are an integral part of these financial statements

INTERNATIONAL ANTIOCH MINISTRIES, INC. dba IRAN ALIVE MINISTRIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services					Supporting Services		
	412 School	Educating the West	Ministry	TV	Total	Management and General	Fundraising	Total
Expenses:								
Advertising and promotion	\$ -	\$ 104,151	\$ -	\$ -	\$ 104,151	\$ -	\$ 44,636	\$ 148,787
Bad debt	-	-	-	5,500	5,500	-	-	5,500
Bank fees	-	-	-	-	-	2,190	-	2,190
Charitable contributions	-	-	12,331	-	12,331	-	-	12,331
Conferences	-	450	-	-	450	-	-	450
Contract labor	1,852	-	67,608	18,523	87,983	4,631	-	92,614
Depreciation and amortization expense	-	-	46,321	48,251	94,572	1,930	-	96,502
Dues and subscriptions	-	-	1,323	59,537	60,860	5,292	-	66,152
Europe program costs	97,927	-	41,969	-	139,896	-	-	139,896
Facilities	-	-	20,894	23,216	44,110	2,322	-	46,432
Fundraising event expense	-	-	-	-	-	-	13,688	13,688
Fundraising event gifts in-kind	-	-	-	-	-	-	8,244	8,244
Insurance	-	-	6,240	6,934	13,174	693	-	13,867
Interest expense	-	-	10,818	10,818	21,636	-	-	21,636
Investment advisory fees	-	-	-	-	-	8,499	-	8,499
Information technology support	-	-	18,733	18,733	37,466	-	-	37,466
Meals and travel	-	-	35,604	-	35,604	-	-	35,604
Merchant fees	-	-	-	-	-	18,749	-	18,749
Middle East program costs	2,945	-	144,321	-	147,266	-	-	147,266
Payroll expenses	68,770	257,887	240,695	214,906	782,258	51,577	25,789	859,624
Printing	35,359	-	-	-	35,359	-	8,840	44,199
Professional fees	6,233	3,116	-	6,233	15,582	105,957	3,116	124,655
Publications and resources	-	-	-	5,821	5,821	-	-	5,821
Satellite airtime	-	-	-	114,938	114,938	-	-	114,938
Shipping and postage	-	2,534	-	-	2,534	-	634	3,168
Small equipment	-	-	4,582	4,582	9,164	-	-	9,164
State and local taxes	-	-	-	-	-	3,132	-	3,132
Supplies	-	-	9,784	5,603	15,387	3,735	-	19,122
Telecommunications	-	-	-	28,978	28,978	-	-	28,978
Translation and dubbings	-	-	-	20,336	20,336	-	-	20,336
Website expenses	890	-	3,559	-	4,449	-	-	4,449
Total expenses	\$ 213,976	\$ 368,138	\$ 664,782	\$ 592,909	\$ 1,839,805	\$ 208,707	\$ 104,947	\$ 2,153,459

The accompanying notes are an integral part of these financial statements

INTERNATIONAL ANTIOCH MINISTRIES, INC. dba IRAN ALIVE MINISTRIES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash flows from operating activities:	
Change in net assets	\$ (78,421)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization expense	96,502
Gain on forgiveness of note payable	(89,723)
Unrealized loss on investments, net	77,586
Loss on disposal of property and equipment	2,850
Changes in operating assets and liabilities:	
Accounts receivable	18,600
Contributions receivable	191,388
Advances to unrelated party	26,400
Prepaid expenses	(225,544)
Accounts payable and accrued expenses	(20,404)
Net cash used in operating activities	<u>(766)</u>
Cash flows from investing activities:	
Proceeds from sale of property and equipment	5,700
Purchase of property and equipment	(111,820)
Acquisition of investments	(1,003,909)
Sale of investments	300,000
Net cash used in investing activities	<u>(810,029)</u>
Cash flows from financing activities:	
Repayment of notes payable	(13,744)
Net cash used in financing activities	<u>(13,744)</u>
Net decrease in cash	(824,539)
Cash at beginning of year	<u>1,630,159</u>
Cash at end of year	<u><u>\$ 805,620</u></u>
<u>Supplemental Disclosures</u>	
Interest paid	<u><u>\$ -</u></u>
Taxes paid	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements

INTERNATIONAL ANTIOCH MINISTRIES, INC. dba IRAN ALIVE MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

International Antioch Ministries, Inc. dba Iran Alive Ministries, Inc. (the “Organization”) was formed as a not-for-profit organization under the laws of the state of California on October 18, 2002. The mission of Iran Alive Ministries, Inc. 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. Contributions from the public provide the necessary funding for operation. The Organization also relies upon volunteers to help fill various roles.

Method of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with principles generally accepted in the United States of America.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash in banks and highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Organization maintains deposits in four financial institutions. At December 31, 2022, the Federal Deposit Insurance Corporation provided insurance coverage of up to \$250,000 per depositor, per institution. At December 31, 2022, approximately \$293,000 of the Organization’s cash was in excess of federally insured limits. The Organization does not believe it is exposed to any significant credit risk from these excess deposits.

Property and Equipment

The Organization capitalizes property and equipment additions having a useful life of more than one year and a cost in excess of \$1,000. Lesser amounts are expensed as incurred. Purchased property and equipment is capitalized at cost. Donations of property and equipment are capitalized at their estimated fair value at the date contributed. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives as follow:

Buildings and improvements	7-40 years
Furniture and equipment	5 years
Computer equipment and software	3-5 years
Television equipment	5-7 years

Impairment of Long-Lived Assets

The Organization evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate possible impairment. If the carrying amount for the asset is not recoverable, an impairment loss is recorded to adjust the carrying amount of the asset and the adjusted carrying amount becomes the new cost basis. For a depreciable long-lived asset, the new cost basis will be depreciated over the remaining estimated useful life of the asset. During the year ended December 31, 2022, no impairment losses were identified.

INTERNATIONAL ANTIOCH MINISTRIES, INC. dba IRAN ALIVE MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Services

No amounts have been reflected in the financial statements for contributed services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Revenue Recognition

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence 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 statement of activities and changes in net assets as net assets released from restrictions.

Contributions are recognized when received, which may be when cash is received, unconditional promises are given, or ownership of other assets is transferred. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Contract and other revenue are recorded at the time of the related performance. Contract revenue represents airtime that is sold as well as dubbing service fees and studio rentals.

Advertising

The Organization expenses advertising costs as incurred. During the year ended December 31, 2022, the Organization expensed advertising costs of approximately \$149,000.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These allocations are based upon estimates of facilities usage, activities of personnel, and specifically identifiable costs.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

INTERNATIONAL ANTIOCH MINISTRIES, INC. dba IRAN ALIVE MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements

As of December 31, 2022, and through August 11, 2023, there were several new accounting pronouncements issued by the Financial Accounting Standards Board. Each of these pronouncements, as applicable, has been or will be adopted by the Organization. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Organization's financial statements. The Organization will monitor these emerging issues to assess any potential future impact on its financial statements.

Subsequent Events

The Organization has evaluated subsequent events for recognition and disclosure through August 11, 2023, which is the date the financial statements were available to be issued.

2. PROPERTY AND EQUIPMENT

Property and equipment, at cost, at December 31, 2022, are summarized as follow:

Land	\$ 163,210
Buildings and improvements	1,078,576
Furniture and equipment	112,433
Computer equipment and software	121,933
Television equipment	552,629
	<u>\$ 2,028,781</u>

Depreciation and amortization expense for the year ended December 31, 2022 was \$96,502.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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.

Total financial assets:	
Cash	\$ 805,620
Accounts receivable	4,000
Contributions receivable (Note 8)	200,000
Prepaid expenses	249,474
Investments, at fair value	<u>691,429</u>
Total financial assets	<u>\$ 1,950,523</u>
Less those unavailable for general expenditures within one year:	
Future expendable donor-restricted net assets (Note 6)	<u>296,650</u>
Financial assets not available for general expenditures	<u>296,650</u>
Financial assets available to meet needs for general expenditure within one year	<u>\$ 1,653,873</u>

INTERNATIONAL ANTIOCH MINISTRIES, INC. dba IRAN ALIVE MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures within one year.

The Organization strives to maintain liquid financial assets sufficient to cover near-term operating needs, and to maintain sufficient reserves to provide reasonable assurance that long-term obligations will be fulfilled. To achieve this, the Organization forecasts its future cash flows and monitors its liquidity monthly. During the year ended December 31, 2022, the level of liquidity was managed within the Organization's expectations.

4. NOTE PAYABLE

The Organization's note payable at December 31, 2022, consisted of the following:

Building loan bearing interest at a rate of 4.50% per annum through October 2024, thereafter interest rate is equivalent to five-year U.S. treasury yield plus 2.25% per annum; monthly installments of \$3,114, with final balloon payment of \$410,122 due upon November 5, 2029 maturity date.	\$ 472,305
Less: current maturities	(18,918)
	\$ 453,387

Future scheduled maturities of notes payable are as follows:

Years ending December 31,	Amount
2023	\$ 18,918
2024	17,294
2025	18,146
2026	18,980
Thereafter	398,967
	\$ 472,305

Paycheck Protection Program (PPP)

During May 2020, the Organization received PPP loan proceeds in the amount of \$88,193. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses and organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business or organization. The Organization utilized the proceeds for purposes consistent with the PPP and, during February 2022, the Organization's PPP loan was forgiven, in full. The forgiveness of the Organization's PPP loan is reflected within 'gain on forgiveness of note payable' within the Organization's accompanying statement of activities and changes in net assets.

INTERNATIONAL ANTIOCH MINISTRIES, INC. dba IRAN ALIVE MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS

5. INVESTMENTS

Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described as follows:

Level 1 Valuations based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Valuations based on quoted prices in markets that are not active, or financial instruments for which all significant inputs are observable; either directly or indirectly; and

Level 3 Valuations based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable; thus, reflecting assumptions about the market participants.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at estimated fair value as of December 31, 2022. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to their fair value measurement.

Assets at Fair Value as of December 31, 2022				
<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds and securities	\$ 691,429	\$ -	\$ -	\$ 691,429
	<u>\$ 691,429</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 691,429</u>

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2022, is as follows:

Time restrictions	\$ 200,000
Purpose restrictions	<u>96,650</u>
Total net assets with donor restrictions	<u>\$ 296,650</u>

7. COMMITMENTS AND CONTINGENCIES

During August 2019, the Organization entered into a 24-month lease agreement with an unrelated party for satellite airtime. Pursuant to the terms of the lease agreement, the Organization is obligated to remit monthly lease payments of \$10,500 to the lessor. Subsequent to its expiration, the terms of the lease agreement have continued on a month-to-month basis at a rate of \$10,500 per month. Total satellite airtime expense for the year ended December 31, 2022 was approximately \$115,000.

INTERNATIONAL ANTIOCH MINISTRIES, INC. dba IRAN ALIVE MINISTRIES, INC.
NOTES TO FINANCIAL STATEMENTS

8. PROMISE TO GIVE

As of December 31, 2022, the Organization's unconditional promise to give consists of the following:

Gross unconditional promise to give	\$ 200,000
Less: Unamortized discount	<u>-</u>
Net unconditional promise to give	<u>\$ 200,000</u>

Amounts due in:

Less than one year	<u>\$ 200,000</u>
Gross unconditional promise to give as of December 31, 2022	<u>\$ 200,000</u>

During May 2019, the Organization received an unconditional promise to give, totaling \$1,000,000, from a grantor. Pursuant to the terms of the related grant agreement, the award amount will be disbursed to the Organization ratably in \$200,000 installments on an annual basis beginning May 2019 and ending during May 2023. Unconditional promises to give due in excess of one year are recognized at fair value, using present value techniques and a discount rate equivalent to the comparable term prevailing national treasury rate. During the year ended December 31, 2022, \$200,000 of the award was collected by the Organization and the remaining grant award has been reflected as 'contributions receivable' within the Organization's accompanying statement of financial position.

Based upon an analysis of the remaining grant award, management determined that an allowance for uncollectible contributions receivable was not necessary as of December 31, 2022, as the Organization has not historically experienced any difficulties collecting amounts from the grantor.