



(A Ministry of CRISTA Ministries)

Consolidated Financial Statements

For the Years Ended June 30, 2014 and 2013

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Independent Auditor's Report***To the Board of Trustees
CRISTA Ministries
World Concern Development Organization******REPORT ON THE FINANCIAL STATEMENTS***

We have audited the accompanying consolidated financial statements of World Concern (a ministry of CRISTA Ministries) and World Concern Development Organization (collectively, the "Organization") which comprise the consolidated balance sheets as of June 30, 2014 and 2013, and the related consolidated statements of unrestricted activities, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CLARK NUBER

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2014 and 2013, and the results of its unrestricted activities and changes in net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 16 - 20 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 consolidated financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2014, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Clark Nuber P S

Certified Public Accountants
September 18, 2014

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**
Consolidated Balance Sheets
June 30, 2014 and 2013
(In Thousands)

	<u>2014</u>	<u>2013</u>
<i>Assets</i>		
Current Assets:		
Cash and cash equivalents (Note 2)	\$ 3,601	\$ 3,888
Grants receivable	1,140	1,137
Receivable from CRISTA Ministries	826	397
Pledges receivable, net (Note 3)	481	512
Prepaid expenses and supplies	6	7
	<u>6,054</u>	<u>5,941</u>
Total Current Assets	6,054	5,941
Investments	9	8
Long-term pledges receivable, net (Note 3)	278	489
Property and equipment used in current ministries, net (Note 5)	170	180
Development loans receivable, net (Note 6)	4,492	4,096
Overseas assets	347	323
	<u>11,350</u>	<u>11,037</u>
Total Assets	\$ 11,350	\$ 11,037
<i>Liabilities and Net Assets</i>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 2,646	\$ 2,635
	<u>2,646</u>	<u>2,635</u>
Total Current Liabilities	2,646	2,635
Commitments and contingencies (Note 8)		
Net Assets:		
Unrestricted-		
General	2,079	1,900
Represented by property and equipment owned by the Organization	<u>170</u>	<u>180</u>
Total unrestricted assets	2,249	2,080
Temporarily restricted-		
Restricted for program activities	<u>6,455</u>	<u>6,322</u>
Total Net Assets	8,704	8,402
Total Liabilities and Net Assets	\$ 11,350	\$ 11,037

See accompanying notes.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**
Consolidated Statements of Unrestricted Activities
For the Years Ended June 30, 2014 and 2013
(In Thousands)

	<u>2014</u>	<u>2013</u>
Revenues, Gains and Losses:		
Contributions	\$ 6,611	\$ 8,056
Contributions released from restriction	5,313	7,294
Gifts-in-kind (Note 7)	9,775	10,148
Government grants	3,627	3,665
Income on investments and loans	808	617
Foreign currency exchange (losses) gains	(9)	126
Miscellaneous income	5	19
	<u>26,130</u>	<u>29,925</u>
Expenses:		
Program services-		
Program	11,844	15,457
Gifts-in-kind (Note 7)	9,775	10,148
	<u>21,619</u>	<u>25,605</u>
Total program services	21,619	25,605
Supporting services-		
Fundraising and promotion	2,817	2,964
Management and general	1,526	1,908
	<u>4,343</u>	<u>4,872</u>
Total supporting services	4,343	4,872
	<u>25,962</u>	<u>30,477</u>
Total Expenses	<u>25,962</u>	<u>30,477</u>
Change in Unrestricted Net Assets	<u>\$ 168</u>	<u>\$ (552)</u>

See accompanying notes.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**
Consolidated Statements of Changes in Net Assets
For the Years Ended June 30, 2014 and 2013
(In Thousands)

	<u>2014</u>	<u>2013</u>
Unrestricted Net Assets:		
Total unrestricted revenue and gains	\$ 20,817	\$ 22,631
Contributions released from restrictions	5,313	7,294
Total unrestricted expenses and losses	<u>(25,962)</u>	<u>(30,477)</u>
Change in Unrestricted Net Assets	168	(552)
Temporarily Restricted Net Assets:		
Contributions	5,447	7,273
Contributions released from restrictions	<u>(5,313)</u>	<u>(7,294)</u>
Change in Temporarily Restricted Net Assets	134	(21)
Total Change in Net Assets	302	(573)
Net assets, beginning of year	<u>8,402</u>	<u>8,975</u>
Net Assets, End of Year	<u>\$ 8,704</u>	<u>\$ 8,402</u>

See accompanying notes.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2014 and 2013
(In Thousands)

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 302	\$ (573)
Adjustments to reconcile change in net assets to net cash used by operating activities-		
Depreciation	10	12
Realized and unrealized gains on investments	(1)	(1)
Changes in operating assets and liabilities:		
Grants receivable	(3)	1,182
Receivable from CRISTA Ministries	(429)	(397)
Pledges receivable	242	(336)
Prepaid expenses and supplies	1	(7)
Development loans receivable	(396)	(561)
Overseas assets	(24)	(37)
Accounts payable and accrued expenses	11	366
Net Cash Used by Operating Activities	<u>(287)</u>	<u>(352)</u>
Decrease in Cash and Cash Equivalents	(287)	(352)
Cash and Cash Equivalents:		
Beginning of year	<u>3,888</u>	<u>4,240</u>
End of Year	<u>\$ 3,601</u>	<u>\$ 3,888</u>

See accompanying notes.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 1 - Nature of Operations and Significant Accounting Policies

Business Purpose and Organization - World Concern, a ministry of CRISTA Ministries ("CRISTA"), a not-for-profit organization, is an international disaster response and development agency working with people in need around the world. World Concern's purpose is to bring life, opportunity and hope to the poor (in body and spirit) by working with them in the developing world to transform lives, strengthen families, and build sustainability.

World Concern Development Organization ("WCDO") is the non-ecclesiastical arm of World Concern and shares common facilities and management with World Concern. WCDO is a not-for-profit organization responsible for administering government and other grants.

Principles of Consolidation - The consolidated financial statements include the accounts of World Concern and WCDO (collectively, the "Organization"). All significant interorganization transactions have been eliminated in consolidation.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) 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.

Cash and Cash Equivalents - Cash in excess of daily requirements is invested in interest-bearing instruments with maturities of three months or less. Such investments are considered to be cash equivalents, except for those included in the Organization's investment portfolio and subject to its investment policy.

Grants Receivable - Grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants receivable. Grants receivable are due primarily from government agencies and are deemed by management to be fully collectible. Therefore, an allowance for doubtful accounts was not recorded at June 30, 2014 and 2013.

Pledges Receivable - Pledges receivable, unconditional promises to give, that are expected to be collected within one year are recorded at net realizable value. Management provides for probable uncollectible amounts through a charge to contribution revenue and a credit to a valuation allowance based on historical trends.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. A present value discount was deemed immaterial at June 30, 2014 and 2013.

Overseas Assets - Overseas assets consist of prepaid expenses, deposits and miscellaneous receivables of the overseas offices.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 1 - Continued

Inventory - Noncash gifts of medicine, clothing, agricultural supplies, medical supplies, and other commodities are donated to World Concern for distribution to overseas development projects. Such gifts are recorded, at estimated fair value, as inventory and revenue at the time received and as a reduction of inventory and as relief and development expense when the distributing agency has received the goods. There was no inventory on hand at June 30, 2014 and 2013.

Property and Equipment Used in Current Ministries and Depreciation - The Organization capitalizes domestic assets with a cost greater than \$3,000 and an estimated useful life of three or more years. Purchased property is carried at cost. Donated property is recorded at fair value when received. Depreciation is computed using the straight-line method based on estimated useful lives as follows:

Buildings and improvements	5 - 50 years
Furniture and equipment	3 - 10 years
Vehicles	3 - 7 years

Overseas purchases are not considered significant and are included as expenses in the consolidated statements of unrestricted activities and changes in net assets in the period incurred. Buildings are not purchased overseas.

Investments - Investments consist of mutual funds. Investments are stated at fair value based on quoted market prices at the date of the consolidated financial statements.

Concentration of Credit Risk - Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash and cash equivalents. Cash and cash equivalents are held with banks located in and outside of the United States. As of June 30, 2014 and 2013, 55% and 59%, respectively, of cash and cash equivalents were held in banks outside of the United States. Cash and cash equivalents may at times exceed FDIC and SIPC insurance limits.

Development Loans Receivable - Development loans receivable represent loans outstanding under the Micro-enterprise Loan Program (MLP) in the countries of Bangladesh and Haiti. The purpose of the MLP is to assist impoverished persons to become self-reliant, successful entrepreneurs. The MLP is administered in accordance with guidelines published by World Concern and is tailored to specific conditions of the host country. The majority of these loans mature in one to two years. Based on management's intent and ability to reinvest collected amounts in the MLP in those countries, the balance has been classified as a long-term receivable.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 1 - Continued

Basis of Presentation - Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - Unrestricted net assets include all net assets on which there are no donor-imposed restrictions for use, or such donor-imposed restrictions were temporary and expired or were met during the current or previous years.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Temporarily restricted net assets are restricted for program activities at June 30, 2014 and 2013.

Permanently Restricted Net Assets - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. The Organization had no permanently restricted net assets at June 30, 2014 and 2013.

Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets. Contributions where the restrictions are satisfied within the same year are reported as unrestricted revenue.

Revenues and Gains - Earned revenues during the year consist of fees for services, government grants, and miscellaneous income. Earned revenue is recognized in the period the service is performed. Government grant revenue is recognized in the period the related expenses are incurred. Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions also include noncash gifts, which are valued at estimated fair value at the date of gift.

Functional Allocation of Expenses - The cost of providing program, fundraising and promotion, and management and general services of the Organization has been summarized on a functional basis in the consolidated statements of unrestricted activities and the consolidated schedules of functional expenses. Accordingly, certain costs have been allocated between program services, fundraising and promotion, and management and general expenses based on usage, square footage, or direct identification.

Federal Income Taxes - The Internal Revenue Service (IRS) has determined that the operations of World Concern, as a division of CRISTA Ministries, and WCDO are exempt from income taxes under Section 501(c)(3) and 509(a)(1) of the Internal Revenue Code. Accordingly, no provision has been made for federal income tax in the accompanying consolidated financial statements. There are open tax years that are subject to IRS review; however, management has determined that no provision for uncertain tax positions is required at June 30, 2014 and 2013.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 1 - Continued

Foreign Currency Translation - The functional currency of World Concern's field offices is the local currency in which the office is located. Assets and liabilities of the offices have been translated into U.S. dollars at year-end exchange rates. Revenues and expenses have been translated at average monthly exchange rates. A foreign currency translation loss of \$9,000 and a gain of \$126,000 were recognized for the years ended June 30, 2014 and 2013, respectively, and these amounts are included in the consolidated statements of unrestricted activities.

Reclassifications - Certain amounts in the 2013 consolidated financial statements have been reclassified for comparative purposes to conform to the presentation in the 2014 consolidated financial statements. The reclassifications have no effect on previously reported total assets, liabilities, net assets or changes in net assets.

Subsequent Events - The Organization has evaluated subsequent events through September 18, 2014, the date on which the financial statements were available to be issued.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at June 30:

	<i>(In Thousands)</i>	
	<u>2014</u>	<u>2013</u>
Cash	\$ 3,330	\$ 3,888
Money market	271	
Total Cash and Cash Equivalents	<u>\$ 3,601</u>	<u>\$ 3,888</u>

Cash and cash equivalents include \$1,973,000 and \$2,298,000 at June 30, 2014 and 2013, respectively, of funds on deposit in banks in foreign countries.

Note 3 - Pledges Receivable

Pledges receivable are due as follows at June 30:

	<i>(In Thousands)</i>	
	<u>2014</u>	<u>2013</u>
Receivable due in less than one year	\$ 753	\$ 752
Receivable due in one to five years	487	837
	1,240	1,589
Less allowance for uncollectible pledges receivable	<u>(481)</u>	<u>(588)</u>
Pledges Receivable, Net	<u>\$ 759</u>	<u>\$ 1,001</u>

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 3 - Continued

Pledges receivable were presented on the consolidated balance sheets as follows for the years ended June 30:

	<i>(In Thousands)</i>	
	<u>2014</u>	<u>2013</u>
Current assets - pledges receivable, net	\$ 481	\$ 512
Long-term pledges receivable, net	<u>278</u>	<u>489</u>
Pledges Receivable, Net	<u>\$ 759</u>	<u>\$ 1,001</u>

Note 4 - Investments and Fair Value Measurements

U.S. GAAP 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) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described as follows:

Level 1 - Unadjusted quoted prices available in active markets for identical assets or liabilities;

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3 - Unobservable inputs that are significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. These financial instruments were valued using a market approach.

Investments held by the Organization at June 30, 2014 and 2013, all consisted of mutual funds that are valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held at year-end. These investments are classified as Level 1.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 5 - Property and Equipment Used in Current Ministries

Property and equipment consisted of the following at June 30:

	<i>(In Thousands)</i>	
	<u>2014</u>	<u>2013</u>
Buildings and improvements	\$ 244	\$ 244
Less accumulated depreciation	<u>(74)</u>	<u>(64)</u>
Property and Equipment, Net	<u>\$ 170</u>	<u>\$ 180</u>

Note 6 - Development Loans Receivable

The Organization makes loans under the Micro-enterprise Loan Program (MLP) to assist impoverished persons to become self-reliant, successful entrepreneurs in the countries of Bangladesh and Haiti. The loans are funded by temporarily restricted contributions, and amounts collected on these loans are reinvested in the MLP to fund future loans. At June 30, 2014 and 2013, outstanding balances in the MLP represented 40% and 37% of total assets, respectively.

Development loans receivable, by country, and the allowance for doubtful accounts is as follows at June 30:

	<i>In Thousands</i>	
	<u>2014</u>	<u>2013</u>
Receivables from individuals in-		
Bangladesh	\$ 3,884	\$ 3,519
Haiti	<u>1,029</u>	<u>924</u>
	4,913	4,443
Less allowance for doubtful accounts-		
Beginning balance	(347)	(267)
Provision for loan losses	(162)	(130)
Loans written off	<u>88</u>	<u>50</u>
Ending balance	<u>(421)</u>	<u>(347)</u>
Development Loans Receivable, Net	<u>\$ 4,492</u>	<u>\$ 4,096</u>

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 6 - Continued

The following amounts were past due under the MLP at June 30:

	<i>In Thousands</i>	
	<u>2014</u>	<u>2013</u>
Less than two years	\$ 461	\$ 505
Two years to five years	109	72
Five years or greater	35	4
Total Loans Past Due	<u>\$ 605</u>	<u>\$ 581</u>

The average loan size was \$290 and \$268 at June 30, 2014 and 2013, respectively. Maturities on the loans range from two months to two years. Allowances for doubtful accounts are established based on prior collection experience, current economic factors and management's review of individual account balances. Loans under the MLP are written off only when they are deemed to be permanently uncollectible, and interest continues to accrue until the loan balances are paid in full. Assessed impairment of certain loans is included in the allowance for doubtful accounts.

The Organization is subject to certain business risks that could affect net assets. These risks include the geographic concentration in the following developing countries which represent 15% or more of the total development loans receivable at June 30:

<u>Country</u>	<u>2014</u>	<u>2013</u>
Bangladesh	79%	79%
Haiti	21%	21%

Note 7 - Gifts-In-Kind

The Organization receives contributions of clothing, health supplies, and other commodities for use in its various programs and medicines at significantly below fair value. Such gifts are recorded as inventory and revenue at the time received and as a reduction of inventory and as a program services expense when the distributing agency has received the goods. These gifts are recorded at their fair value based on product like-kind analysis and current estimated wholesale prices as available. Gifts-in-kind (GIK) are recorded in accordance with U.S. GAAP and in consideration of Accord GIK Interagency Standards.

The Organization obtains deworming medicine that is distributed to children and adults in several countries in Africa and Asia. The Organization purchases this deworming medicine and records such purchases at cost and books any difference between cost and fair value as a contribution, per applicable accounting standards where fees paid are significantly below fair values.

The Organization obtains market data that it believes is representative of fair value for the deworming medicine it distributes in multiple relevant international markets. Such industry standards are subject to review and adjustment; therefore, estimates of fair value of donated medicines may vary in the future.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 7 - Continued

World Concern did not facilitate unrecorded GIK to be used by other not-for-profits. World Concern only records the value of GIK for which World Concern was the original recipient of the gift, was the end use agency, was involved in partnership with another organization for distribution internationally, or used the GIK in its own programs.

A summary of GIK revenues is as follows for the years ended June 30:

	<i>(In Thousands)</i>	
	<u>2014</u>	<u>2013</u>
Medicines and medical supplies	\$ 9,720	\$ 10,046
Clothing	22	36
Other	33	66
Total Gifts-In-Kind	<u>\$ 9,775</u>	<u>\$ 10,148</u>

For the year ended June 30, 2014, the Organization distributed approximately 8 million deworming pills to children and adults in several countries compared to approximately 8.6 million pills distributed during the year ended June 30, 2013. Of the total GIK for both years ended June 30, 2014 and 2013, 99% came from a single source.

Note 8 - Commitments and Contingencies

Leases - The Organization is obligated under various operating leases for office equipment. Lease expense for the years ended June 30, 2014 and 2013, was approximately \$1,400 and \$6,000, respectively. Future minimum payments for operating leases that have initial or remaining noncancelable lease terms in excess of one year total approximately \$1,400 per year through 2017.

Employee Retirement Benefits - CRISTA offers a Section 403(b) savings plan to eligible employees, including employees of the Organization. Employees may contribute amounts from their salaries to the plan up to the limits specified by the IRS. The Organization contributes 3% of the employee's earnings annually to each eligible employee's account. The Organization matches up to 4% additional contributions to an eligible employee's account based upon years of service to CRISTA. Employer provided funds are vested to the employee at 20% per year until fully vested after five years. Total employer contributions for the Organization's employees for the years ended June 30, 2014 and 2013, were approximately \$37,000 and \$81,000, respectively.

Contingencies - Amounts received under federal grant-in-aid programs are subject to audit and adjustment by the granting agency. Any adjusted amounts, including funds already received, may constitute a liability of the Organization. Management believes adjustments required, if any, as a result of audits will not have a material effect on the Organization's financial position or results of activities.

In the normal course of business, the Organization has various claims in process, matters in litigation, and other contingencies. In management's opinion, the outcome from these matters will not materially impact the Organization's financial position or results of activities.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**

**Notes to Consolidated Financial Statements
For the Years Ended June 30, 2014 and 2013**

Note 9 - Intra-Organization Transactions

In the normal course of business, the Organization enters into transactions with CRISTA Ministries to maximize operating efficiency. Expenses related to these transactions are determined based upon actual costs related to the services provided. The following is a summary of intra-organization transactions with CRISTA Ministries for the years ending June 30:

	<i>(In Thousands)</i>	
	<u>2014</u>	<u>2013</u>
Expenses-		
Fundraising services	\$ 2,529	\$ 504
Management services	79	151
Accounting, donation receipting, and auditing	281	357
Office space	143	134
Computer services	83	77
Personnel/legal services	67	62
Mailroom services	24	24
Media		33
Marketing	113	37
Faith engagement	102	
Other	1	14
Total Expenses	<u>\$ 3,422</u>	<u>\$ 1,393</u>

Contributions from CRISTA Ministries - At June 30, 2014 and 2013, contributions totaling \$828,000 and \$397,000 were received at CRISTA that were designated for World Concern and thus are reflected as receivable from CRISTA Ministries on the consolidated balance sheet.

SUPPLEMENTARY INFORMATION

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**
Consolidated Schedule of Functional Expenses
For the Year Ended June 30, 2014
(In Thousands)

	<i>Relief and Development Services</i>	<i>Fundraising and Promotion</i>	<i>Management and General</i>	<i>Total</i>
Salaries	\$ 4,369	\$ -	\$ 450	\$ 4,819
Payroll taxes	137		36	173
Employee benefits	739		60	799
Professional services	126		69	195
Advertising and promotion	19		10	29
Office expenses	462		12	474
Information technology	64			64
Occupancy	487			487
Travel	1,155		50	1,205
Conferences and training	226		13	239
Depreciation	10			10
Insurance	7		38	45
Dues and fees	15		87	102
Purchased services		2,746	676	3,422
Program supplies	13,803	71	25	13,899
Total	\$ 21,619	\$ 2,817	\$ 1,526	\$ 25,962

See independent auditor's report.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**
Consolidated Schedule of Functional Expenses
For the Year Ended June 30, 2013
(In Thousands)

	<i>Relief and Development Services</i>	<i>Fundraising and Promotion</i>	<i>Management and General</i>	<i>Total</i>
Salaries	\$ 4,594	\$ 670	\$ 699	\$ 5,963
Payroll taxes	128	55	42	225
Employee benefits	852	94	94	1,040
Professional services	105	13	55	173
Advertising and promotion	2		5	7
Office expenses	595	110	48	753
Information technology	70		15	85
Occupancy	586	1	137	724
Travel	1,572	49	68	1,689
Conferences and training	177	61	17	255
Depreciation	12			12
Insurance	6		59	65
Dues and fees	45		72	117
Purchased services	89	1,827	583	2,499
Program supplies	16,772	84	14	16,870
Total	\$ 25,605	\$ 2,964	\$ 1,908	\$ 30,477

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**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**
Consolidating Balance Sheet
For the Year Ended June 30, 2014
(In Thousands)

	<i>World Concern</i>	<i>World Concern Development Organization</i>	<i>Consolidation/ Eliminations</i>	<i>Total</i>
Assets				
Current Assets:				
Cash and cash equivalents	\$ 3,558	\$ 43	\$ -	\$ 3,601
Grants receivable	405	735		1,140
Receivable from World Concern Development Organization	1,043		(1,043)	
Receivable from CRISTA Ministries	826			826
Pledges receivable, net	481			481
Prepaid expenses and supplies	6			6
Total Current Assets	6,319	778	(1,043)	6,054
Investments	9			9
Long-term pledges receivable, net	278			278
Property and equipment used in current ministries, net	170			170
Development loans receivable, net	4,492			4,492
Overseas assets	347			347
Total Assets	\$ 11,615	\$ 778	\$ (1,043)	\$ 11,350
Liabilities and Net Assets				
Current Liabilities:				
Accounts payable and accrued expenses Payable to World Concern	\$ 2,638	\$ 8 1,043	\$ - (1,043)	\$ 2,646
Total Current Liabilities	2,638	1,051	(1,043)	2,646
Net Assets:				
Unrestricted- General Represented by property and equipment owned by the Organization	2,374	(295)		2,079
	170			170
Total unrestricted assets	2,544	(295)		2,249
Temporarily restricted- Restricted for program activities	6,433	22		6,455
Total Net Assets	8,977	(273)		8,704
Total Liabilities and Net Assets	\$ 11,615	\$ 778	\$ (1,043)	\$ 11,350

See independent auditor's report.

**WORLD CONCERN (A DIVISION OF CRISTA MINISTRIES)
AND WORLD CONCERN DEVELOPMENT ORGANIZATION**
Consolidating Statement of Activities
For the Year Ended June 30, 2014
(In Thousands)

	<i>World Concern</i>	<i>World Concern Development Organization</i>	<i>Total</i>
Revenues, Gains and Losses:			
Contributions	\$ 6,317	\$ 294	\$ 6,611
Contributions released from restrictions	5,277	36	5,313
Gifts-in-kind	9,775		9,775
Government grants		3,627	3,627
Income on investments and loans	808		808
Foreign currency exchange losses	(9)		(9)
Miscellaneous income	5		5
Total Revenues, Gains and Losses	22,173	3,957	26,130
Expenses:			
Program services-			
Program	8,763	3,081	11,844
Gifts-in-kind	9,775		9,775
Total program services	18,538	3,081	21,619
Supporting services-			
Fundraising and promotion	2,817		2,817
Management and general	860	666	1,526
Total supporting services	3,677	666	4,343
Total Expenses	22,215	3,747	25,962
Change in Unrestricted Net Assets	(42)	210	168
Temporarily Restricted Net Assets:			
Contributions	5,425	22	5,447
Contributions released from restrictions	(5,277)	(36)	(5,313)
Change in Temporarily Restricted Net Assets	148	(14)	134
Total Change in Net Assets	106	196	302
Net assets, beginning of year	8,871	(469)	8,402
Net Assets, End of Year	\$ 8,977	\$ (273)	\$ 8,704

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WORLD CONCERN DEVELOPMENT ORGANIZATION

***Schedule of Functional Expenses
For the Year Ended June 30, 2014
(In Thousands)***

	<i>Relief and Development Services</i>	<i>Management and General</i>	<i>Total</i>
Salaries	\$ 907	\$ 259	\$ 1,166
Payroll taxes	11	7	18
Employee benefits	96	11	107
Professional services	14	41	55
Office expenses	193	18	211
Information technology	15	12	27
Occupancy	83	17	100
Travel	337	31	368
Conferences and training	12	5	17
Insurance		7	7
Dues and fees	1	48	49
Purchased services	148	210	358
Program supplies	1,264		1,264
Total	\$ 3,081	\$ 666	\$ 3,747

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