

Jesus for Asia, Inc.
Financial Statements
For the Year Ended December 31, 2022

Jesus for Asia, Inc.
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For the Year Ended December 31, 2022

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MAILING:

POST OFFICE BOX 1264
ROME, GEORGIA 30162-1264

PHYSICAL:

508 RIVERSIDE PARKWAY
SUITE 100
ROME, GEORGIA 30161

706/234-7571

FAX: 706/232-4402

EMAIL: WJR@WJRCPAS.COM



WHITTINGTON, JONES & RUDERT, CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS
AND
BUSINESS ADVISORS

MEMBER:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
of Jesus for Asia, Inc.

Opinion

We have audited the accompanying financial statements of Jesus for Asia, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and cash flows for the year 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 Jesus for Asia, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Jesus for Asia, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Jesus for Asia, Inc.'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 Jesus for Asia, Inc.'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 Jesus for Asia, Inc.'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.

Yours very truly,

Whittington, Jones & Rudert, CPAs, LLC

Whittington, Jones & Rudert, CPAs, LLC

Rome, Georgia 30161

November 15, 2023

JESUS FOR ASIA INC
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

	<u>2022</u>
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,055,071
Undeposited funds	<u>153,079</u>
 TOTAL CURRENT ASSETS	 <u>1,208,150</u>
 PROPERTY AND EQUIPMENT	
Construction in progress	944,503
Property, plant and equipment, net of accumulated depreciation of \$170,416 in 2022	443,940
 OTHER NONCURRENT ASSETS	 <u>7,500</u>
 TOTAL NONCURRENT ASSETS	 <u>1,395,943</u>
 TOTAL ASSETS	 <u><u>\$ 2,604,093</u></u>

See auditor's report and accompanying notes to financial statements

JESUS FOR ASIA INC
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

LIABILITIES AND NET ASSETS

	<u>2022</u>
CURRENT LIABILITIES	
Accrued expenses	449,616
Long term debt - current portion	<u>8,834</u>
TOTAL CURRENT LIABILITIES	<u>458,450</u>
NONCURRENT LIABILITIES	
Long-term debt	<u>237,966</u>
TOTAL NONCURRENT LIABILITIES	<u>237,966</u>
TOTAL LIABILITIES	<u>696,416</u>
NET ASSETS	
Without donor restrictions	696,458
With donor restrictions	<u>1,211,219</u>
TOTAL NET ASSETS	<u>1,907,677</u>
TOTAL LIABILITIES NET ASSETS	<u>\$ 2,604,093</u>

See auditor's report and accompanying notes to financial statements

JESUS FOR ASIA INC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Support from the public:			
Pledges and contributions	\$ 669,368	\$ 3,290,475	\$ 3,959,843
Total public support	669,368	3,290,475	3,959,843
Investment income:			
Gain (loss) on sale of fixed assets	4,548	-	4,548
Total investment income	4,548	-	4,548
Other revenue:			
In-kind contributions	29,099	-	29,099
Other unrestricted revenue	8,951	-	8,951
Total other revenue	38,050	-	38,050
Total revenue, gains and other support	<u>711,966</u>	<u>3,290,475</u>	<u>4,002,441</u>
NET ASSET RESTRICTION TRANSFERS			
Revenue released from restriction	<u>3,358,117</u>	<u>(3,358,117)</u>	<u>-</u>
Total revenue	<u>\$ 4,070,083</u>	<u>\$ (67,642)</u>	<u>\$ 4,002,441</u>

See auditor's report and accompanying notes to financial statements

JESUS FOR ASIA INC
STATEMENT OF ACTIVITIES (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>
EXPENSES			
Program services:			
Asia	\$ 208,368	\$ -	\$ 208,368
Southern Asia	1,039,231	-	1,039,231
Southeast Asia	<u>2,057,501</u>	<u>-</u>	<u>2,057,501</u>
Total program services	3,305,100	-	3,305,100
 Supporting services:			
Management and general - direction of overall affairs of the organization through executive, financial and administrative services.	<u>719,606</u>	<u>-</u>	<u>719,606</u>
Total supporting services	719,606	-	719,606
 Total program and supporting services expenses	<u>4,024,706</u>	<u>-</u>	<u>4,024,706</u>
 CHANGE IN NET ASSETS	<u>45,377</u>	<u>(67,642)</u>	<u>(22,265)</u>
 NET ASSETS, beginning of year	<u>651,081</u>	<u>1,278,861</u>	<u>1,929,942</u>
 NET ASSETS, end of year	<u><u>\$ 696,458</u></u>	<u><u>\$ 1,211,219</u></u>	<u><u>\$ 1,907,677</u></u>

See auditor's report and accompanying notes to financial statements

JESUS FOR ASIA INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services				Supporting Services		
	Asia	Southern Asia	Southeast Asia	Total Program Services	Management and General	Total Supporting Services	Total
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 212,848	\$ 212,848	\$ 212,848
Payroll taxes	-	-	-	-	16,551	16,551	16,551
Bank service charges	-	-	-	-	23,888	23,888	23,888
Occupancy	-	-	-	-	13,865	13,865	13,865
Education	8,159	143,326	84,908	236,393	4,035	4,035	240,428
Evangelism	195,199	705,179	1,497,132	2,397,510	-	-	2,397,510
Telephone	-	-	-	-	1,799	1,799	1,799
Supplies	-	-	-	-	24,334	24,334	24,334
Humanitarian	5,010	-	982	5,992	-	-	5,992
Printing and Publications	-	-	-	-	37,666	37,666	37,666
Postage and shipping	-	-	-	-	3,024	3,024	3,024
Conference and meetings	-	-	-	-	103,901	103,901	103,901
Childrens' ministries	-	135,848	12,229	148,077	-	-	148,077
Travel	-	-	-	-	34,065	34,065	34,065
Media and production	-	54,878	462,250	517,128	131,612	131,612	648,740
Professional fees	-	-	-	-	3,504	3,504	3,504
Registration fees	-	-	-	-	250	250	250
Repairs and maintenance	-	-	-	-	11,457	11,457	11,457
Miscellaneous expenses	-	-	-	-	10,646	10,646	10,646
Vehicle expenses	-	-	-	-	22,010	22,010	22,010
Depreciation and amortization	-	-	-	-	35,052	35,052	35,052
Contributed materials	-	-	-	-	29,099	29,099	29,099
	\$ 208,368	\$ 1,039,231	\$ 2,057,501	\$ 3,305,100	\$ 719,606	\$ 719,606	\$ 4,024,706

See auditor's report and accompanying notes to financial statements

JESUS FOR ASIA INC
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (22,265)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	35,052
(Increase) decrease in assets:	
Undeposited funds	(153,052)
Other assets	4,000
Increase (decrease) in liabilities:	
Accrued expenses	447,011
CASH PROVIDED BY OPERATING ACTIVITIES	310,746
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of fixed assets	8,992
Cash paid for purchases of fixed assets	(998,986)
CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(989,994)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on long term debt	(12,212)
CASH USED FOR FINANCING ACTIVITIES	(12,212)
NET INCREASE (DECREASE) IN CASH	(691,460)
CASH AT BEGINNING OF YEAR	1,746,531
CASH AT END OF YEAR	\$ 1,055,071

See auditor's report and accompanying notes to financial statements.

Jesus for Asia, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2022

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Jesus for Asia, Inc. (the Organization) is a nonprofit organization dedicated to spreading the Gospel throughout Asia by equipping missionaries for their mission field, offering ministry programs, and using media platforms to reach this least reached region. The Organization is supported primarily through contributions from donors.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Codification in its Standards for Financial Statements of Not-for-Profit Organizations. Under this statement, the Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing ministry. Non-operating activities are limited to other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

Cash consists of cash on deposit with banks. Cash equivalents consist of money market funds or short-term investments purchased with an initial maturity of three months or less, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and cash equivalents. At times, the balance may exceed federally insured amounts. These deposits possess credit risk to the extent that they exceed federally insured limits. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Property and Equipment

Property and Equipment purchased are recorded at cost, or fair value at the date of donation, if donated. The Organization's capitalization policy is to capitalize property and equipment with a purchase price, or donation value, in excess of \$500 and which has a useful life greater than one year. Maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed currently. Property items retired, or otherwise disposed of, are eliminated from the asset and accumulated depreciation accounts and gains or losses from disposals are included in the statement of activities.

Jesus for Asia, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2022

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Property and Equipment (continued)

Depreciation is provided over the estimated useful lives of the individual assets using the straight-line method as follows: buildings, 39 years; building improvements, 7 to 15 years; computer and equipment, 3 to 5 years; and vehicles, 5 years.

Impairment

Long-lived assets, such as property and equipment carried at cost, are reviewed for impairment whenever events or changes in circumstances indicated that the carrying amount of an asset might not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the fair value of the assets. In the opinion of management, no long-lived assets were impaired as of December 31, 2022.

Contribution Recognition

The Organization recognized revenue from contributions, grants, and contracts in accordance with Accounting Standards Update ("ASU") 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. In accordance with ASU -2018-08, the Church evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Church applies guidance under FASB Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC" 606). If the transfer of assets is determined to be a contribution, the Church evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Church is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributions received are recorded as net assets without restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions depending on the nature of restriction. 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.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contribution are recorded as net assets without donor restrictions.

Contributed Services

The Organization occasionally receives donated materials and services by its donors in conducting the Organization's ministry. No amounts have been reflected in the financial statements for those materials and services since they do not meet the criteria for recognition under the Financial Accounting Standards Codification Statement for Accounting for Contributions Received and Contributions Made.

Functional Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis that is based on where time and efforts are made, and benefits are received.

Jesus for Asia, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2022

NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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 statements and the reported amounts of revenue and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Income Taxes

The Organization is exempt from Federal and State income taxes under Internal Revenue Code Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. No provision has been made for income taxes in the financial statements. Management believes the Organization does not have any unrelated business income that would be subject to taxation, or other uncertain tax positions.

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2022 consisted of the following:

	2022
Building and property	\$ 415,207
Building improvements	10,580
Computer and equipment	126,647
Vehicles	61,922
Less: accumulated depreciation	(170,416)
Net property and equipment	<u>\$ 443,940</u>

Depreciation expense for the year ended December 31, 2022 was \$35,052.

NOTE 3. LIQUIDITY AND AVAILABILITY

The Organization has \$165,600 of financial assets available within 1 year of the balance sheet date consisting of cash to meet needs for general expenditures. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 4. FAIR VALUE MEASUREMENTS

The Organization applies generally accepted accounting principles (GAAP) for fair value measurements of financial instruments that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Organization's financial instruments are cash, undeposited funds and accounts payable. The recorded values of cash, undeposited funds and accounts payable approximate their fair values based on their short-term nature.

Jesus for Asia, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2022

NOTE 5. NET ASSETS

Net assets with donor restrictions for the year ended December 31, 2022 are available for the following:

	2022
Asia	\$ 312,404
Bangladesh	3,077
Cambodia	27,323
India	437,169
Indonesia	18,350
Malaysia	49,538
Nepal	26,261
Philippines	89,501
Thailand	246,889
Timor Leste	621
United States	86
	<u>\$ 1,211,219</u>

Net Assets without donor restrictions for the year ended December 31, 2022 was \$696,458.

NOTE 6. NOTE RECEIVABLE

The Organization's note receivable represents an interest-free loan to local missionaries for establishing a boarding academy and elementary school in Cambodia. The original loan of \$15,500 was intended for funding building improvements and to purchase a vehicle to be used by the Organization. The balance includes \$7,500 in principal with no accrued interest. The loan agreement specifies that the missionaries will repay the loan by the rental of the house at \$500 per month as it is rented. The initial loan term is three years.

7. LONG-TERM DEBT

The Organization has the following outstanding notes payable:

Note payable to Millennium Bank, due May 3, 2023, payable in monthly installments with interest accruing annually at 5.650%. The loan is secured by real estate. The original loan amount is \$115,600 and is dated May 3, 2018.	2022 \$ 99,052
Note payable to First Bank, due March 3, 2025, payable in monthly installments with interest accruing annually at 5.500%. The loan is secured by real estate. The original loan amount is \$170,000 and is dated May 3, 2020.	147,748
Less: Current portion of long-term debt	(8,834)
Total long-term debt	<u>\$ 237,966</u>

Jesus for Asia, Inc.
Notes to Financial Statements
For the Year Ended December 31, 2022

NOTE 8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 15, 2023, the date on which the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

In January 2023, the Organization entered into an agreement to wholly-own Service by Design, LLC, an entity formed to hold real property for the Organization. The real property held by Service by Design, LLC includes the real estate secured by the Organization's note payable to Millennium Bank and a new office building constructed in the subsequent year. Service by Design, LLC refinanced the existing loan with Millennium Bank in February 2023 with Pinnacle Bank, relieving the Organization of this long-term liability. The new office building is secured by a new \$1,952,000 loan to Pinnacle Bank, payable by Service by Design, LLC and accruing interest at a rate of 6.250% annually. The loan will be repaid in full on July 28, 2029.

On January 10, 2023, the Organization entered a lease agreement with Service by Design, LLC for the rental of the newly constructed office building. The lease requires monthly installments of \$14,270 on the first day of each month for five years and has three renewal options at the expiration of the lease term, each option extending the lease for five years. The monthly installments increase 10% at each renewal period.